G.R.S. IX—5]

Previous references.

Genl 82-17-(8-10)
" 82-17-(6-7)
" 82-17-(11-16)
" 31-18-(1 & 2 & 3)
" 82-17-(1-5)

Later references.

Genl 27-22 = 11 & 12
" 31-23 (3-4)
" 55-24 (2, 3)

1922. (Genl)

File No. 27 5/22

Serial Nos. 1-7 & 10

Preserve Contains a Sealed cover

GENERAL AND REVENUE SECRETARIAT.

1 X A

Serial Nos. 8

Part B for July 23.

SUBJECT

Representation from messrs oakley Bowden & Co. regarding discharges placed on the Blocks of Chrome Ironstone by them from the Bairagarh block.

Secy To

The Mg Director of Genl with Connected papers.
from D. C. Hassan
Dy. C 4-8-22 21/22.
Passed across on to ——

R&E

(For Disposal at a Meeting)

No. C. 407
of 1922-3

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT.

(Clause xxiv of the schedule.)

Representation from Messrs. Oakley Bowden & Co., re. the embargo placed on the stocks of chrome ore won by them from the Bairapur block.

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

5th April 1923.

Chief Secretary to Government.

Extraordinary Member of Council.

First Member of Council.

98
6.4.23

Second Member of Council.

Third Member of Council.

G. R. S. 11] 1922.

GENERAL AND REVENUE SECRETARIAT.

(Geol)

NOTES.

File No. 37-22

FILE HEADING.

Breach of terms of the prospecting license held by Messrs Oakley Bowden & co. in Bairapur village in Hassan district

From

The Director, Dept of Geology

No. 376. Dated 4-9-22 Received 6-9-22

Diary No. 1183	Enclos. 12 Spare Copies.	Serial No. 1

BRIEF ABSTRACT OF LETTER.

Brings to the notice of Govt certain irregularities on the part of Messrs Oakley Bowden & co on account of breach of conditions of prospecting license granted to them for chrome in Bairpur village in the Hassan district & states that a further report will be submitted as to whether there was any transfer of rights under the license to the Mysore Chromite Ltd.

NOTES AND ORDERS.

Submitted

1 Geol file no 82-17 relating to the granting the license in question has been submitted with the application received from Messrs V. Manickavelu Mudaliar & Co for an exploring license for white special protection for chrome over the Hassan district. That question is now before the council. Major pending receipt of the further report promised by

NOTES—First Sheet.

1041
1183

G. R. S. 111-21

General and Revenue Secretariat. | Geol File No. 2-7 of 1922.

Serial No.

Can Director be awaited? A draft is however put up

APS. 11-9-22

2 Jour Mem Mg

2 To, Director, Dept of Geology.
No. 1853 dt. 23.9.22
Calls for early Submn of the further report promised in the matter

3 From Asst Director of Geology
606 dt 20-10-22
Submits his report in connexion with proposals to send another communication as to whether there was any transfer of rights with respect to licence no 473 to the Mysore Chromite Ltd & requests instructions as to the copies of correspondence relating to the irregularities with reference to be furnished to Mr. Abd Nasir in Khan.

Vide — Note in the linked file about Messrs Oakley Duncan & Co. B
Suggested there if approved, the papers may be forwarded to the Govt Advocate with the first inclosure for opinion.

Mg
5/11/22

Secy
Vide my note in this file
Mr Member
P.T.O.
P.T. 9-11-22.

NOTE—Contn. sheet.

G. R. S. III-21

General and Revenue Secretariat.

Govt File No. 27 of 1922

Serial No.

3805-190
9.11.22

Approved. Vide Rey Munitions storage order on linked file.

Rec'd
9.11.22

Rc No 89/11/22-25
9.11.22

6 From the G.O. dated 23-2-1918 it is clear that the licence in question was granted to Messrs Oakley Bowden & Co, temporarily, & as a special case in consideration of the fact that the area is to be worked purely for the Board of Munitions for the supply of war material, on condition that any chrome in excess of the quantity extracted for such supply should be placed if required at the disposal of Government who should have the first refusal.

7 The licence having been granted on this express condition it was not open to the firm to dispose of the ore extracted thereon other than by supplying to the Munitions Board. I do not think that Government would have granted the licence to the firm on any other

NOTE—Contn. sheet

G. R. S. III-2]

General and Revenue Secretariat. | Geol File No. 27 of 1922.

Serial No.

other grounds than the one urged by that firm – viz that the ore was required by the Board as war material.

8 I am therefore in complete agreement with the views clearly expressed by the Director in his letter to the Chief Secretary dated the 20th October.

9 The conduct of the firm in this matter does not appear to be quite bona fide and so far as the materials on record go it is clear that the firm's action is quite in contravention of the clear terms under which the licence was granted.

10 It is not clear from the records if Messrs Oakley Bowden & Co had any contract at all with the Munitions Board for the supply of chrome to that Board or whether any portion of the ore was despatched to them. Both these questions must necessarily be borne out by documentary evidence

Evidence and if there is any substratum of truth in the statements made by that firm it ought to be able to produce the correspondence on this subject between it and the Board, both before and after the grant of the licence.

W Stansbury Lewis
Govt Admitee
17/11/22.

GEN. & REV. SECRETARIAT
18 NOV 1922
INDUSTRIES & COMMERCE BRANCH.

21/11

"G" Lewis

Member

21-11-22

D.2289
16.11.22

6

GOVERNMENT OF MYSORE

MYSORE GEOLOGICAL DEPARTMENT.

Bangalore, 15. 11. 1922.

15 recd 15.11.22

Secy.

GOVT. SECRETARIAT
16 NOV 1922
INDUSTRIES & COMMERCE BRANCH.

Dear Sir,

Consequent on the three long interviews I gave to Messrs Bowden & Oakley after the one they had with you, I am now in receipt of their revised Explanation in regard to their Hutkenkalli Chrome block.

Before I can submit their present communication with my comments thereon, I think it is very desirable that we should have a personal discussion with the Govt. Advocate in the matter.

I should be much obliged if you will kindly arrange for a consultation at your earliest convenience.

With respects

Yours sincerely

B. Rajamantrapraveena

P. Rajamantrapraveena Rao Esq B.A. B.L.
First member in Council

No 10

7

14 Forwarded with compliments.

I shall be glad to talk the matter over with the First Advocate v the Director either on Saturday next - or Wednesday following day - about 3.30 p.m. The intervening days will not suit me, as I shall be otherwise engaged.

Yours
15.11.22

First Advocate.

15 I am sorry Saturday does not suit me. Wednesday at 3.30 pm will be quite right.

W Shewbridge
Govt. Adv. 16/11/22.

W. M.S.P.

16 Please see v at the Director's.

Yours
16.11.22

17. Draft submitted
16.11.22

To The Director of Geology
D.O. 3252 Dt 16-11-22
Stated that the First Member of Council will be glad to meet & discuss the matter on 22-11-22 at 3.30 P.M.

To The Govt Advocate.
3253 Dt 16-11-22
Forwards a copy of the above.

To The Govt Advocate.
3254 Dt 16-11-22
Requests that the papers relating to the case may be returned with his opinion at an early date.

AT a

8

If the file has been returned today by the Govt. Advr with his opinion as to what is to be done with the receipts.

I kept the papers with me for study MR 21/11

21/11/22

The Director of Geology & the Govt Advocate are to meet the members of the Committee (22nd) at 3.30 pm. The papers will be submitted to him now if approved

MR
21.11.22

Govt. Advocate

21.11.22
MR

4218-601
21.11.22

2nd The case of Messrs Oxley Boustead & Co was discussed this afternoon with the Director of Geology & the Govt. Advocate. The Asst being present. Further action will be taken on the lines of the understanding arrived at on the occasion.

Reed
22.11.22.

2589 9

G. R.-S. III-2]

General and Revenue Secretariat.

Geol File No. 27 of 1922.

Serial No.	
23	Submitted with a draft requesting the Director of Geology to forward the further communication promised by him Asst 30-11-22 24 June. Don't want this file back Keep a plan in this file 30/11 JC. 3524 & 1-12-22
4	From the Director of Geology 908 & 5-12-22 Submits the further report promised by him in the matter. Submitted Asst. 6-12-22

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat. | Geol File No. 27 of 1922.

Serial No.

2

25 In Govt. Order No.G. 11726/Geol. 82-17-5 dated 23rd February 1918, Government sanctioned the grant of a prospecting license for chrome over an area of one square mile in the villages of Byrapur, Kullanahalli and Chokanahalli in the Chenarayapatna taluk of the Hassan District to Messrs. Oakley Bowden & Co., subject to the following conditions:-

(i) that the license should be temporary for one year only;

(ii) that no renewal of the license would be applied for;

(iii) that the Company waived their claim for a mining lease under license;

(iv) that all the ore mined was to be supplied to the Munitions Board as war material, and

(v) that all ore extracted in excess of the quantity contracted for, viz., 28,000 tons, for supply to the Munitions Board should be placed, if need be, at the disposal of Government who should have the first refusal.

26 As a special case and in view of the urgency of the matter, Messrs. Oakley Bowden & Co., were permitted to carry on prospecting work in anticipation of the delivery of the license signed by the Director in accordance with the rules and the period of one year was ordered to be counted from the date on which

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat. | Geol File No. 27 of 1922.

Serial No.

they were permitted to extract the ore ~~from the date of the Govt. order~~ via ~~Kadavoor~~ from the 20th March 1918.

Y 27 In June 1918 Messrs. Oakley Bowden & Co., again represented that as they would not be able to extract the full quantity of 28,000 tons of chrome are required for supply to the Munitions Board within the period of one year allowed to the they might be permitted to renew the license for further period, but Government decided that the

X Company having undertaken in express terms not to apply for renewal of the license their request could not be granted.

W 28 In his letter dated 8th March 1919 the Director of Geology reported to Government that the period of the prospecting license would expire on 20th idem and that as Messrs. Oakley Bowden & Co. could not remove all the ore mined by them before that date they might be given special permission to remove the ore to an adjoining piece of land which they had acquired the surface rights. This request was granted by Government in their lett

V No. G. 23482/Geol. 31-18-23 dated 15th April subject to the following conditions:-

(i) that the stocking of the ore anywher the block must be regarded as a temporary mea

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat. | Geol File No. 27 of 1922.

Serial No.

(2) that the Company would have to remove the ore if required by the Department to do so on receipt of reasonable notice not exceeding 3 months;

29 In the correspondence ending with the Director letter No. 908 dated 4/5th Dec~~ember~~ 1922 it has been brought to the notice of Government that the licensees, Messrs. Oakley Bowden & Co., have committed a series of irregularities amounting to a breach of the conditions of the license granted to them in the Government order dated 20th February 1918 and he seeks orders as to how the question should be dealt with.

PUB III

30 The question was fully gone into at a conference held on the 22nd November 1922 by the First Member of Council with the Director of Geology, at which the Government Advocate was also present.

31 ~~It would~~ To facilitate arriving at a decision it was considered desirable to examine the facts of the case from the following points of view:-

(i) whether when Messrs. Oakley Bowden & Co., negotiated for a prospecting license in 1918 they had a bona fide order, direct or indirect, from the Munitions Board for supply of chrome as war-material?

(ii) If so, have they supplied any quantity of

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat. | Geol File No. 27 of 1922.

Serial No.

of material to the Munitions Board in pursuance of the contract?

(iii) Was such quantity more or less than the quantity of 28000 tons stipulated which was the quantity the Company were permitted to extract from the area granted to them?

(iv) If the whole quantity of ore extracted was not so supplied to the Munitions Board how was the balance disposed of?

(v) In case the balance quantity was not supplied to the Munitions Board and was disposed o otherwise than by being offered to Government was there not a breach of the conditions subject t which the license was granted?

(vi) If there has been such a breach what is the relief that Government is entitled to?

Ans 3

3. (i) As regards the first issue, the papers submitted by Messrs. Oakley Bowden & Co., do not disclose that they had a direct order from the Munitions Board for the supply of the Ore. They would appear to have acted throughout through some Agent of their own in London. In one of their letters dated 4th August 1922 to the Director of Geology the Company have made the following statement 'You will recall that at the time of granting us this license with the special condit

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat. | File No. 27 of 1922

Serial No.

by which you called upon us to submit evidence of our having the Munition order; this we did, and by your letter No. 2453 of 30th March 1918 you advised us, to quote your own words, I am satisfied with your chrome as for Munition supply

33 In the correspondence sent up by the Director of Geology there is sufficient evidence to show that though Messrs. Oakley Bowden & Co., had no direct dealings with the Munitions Board they have secured an order for the supply of the ore through some agents in London, and that in pursuance of such contract they have also supplied some quantity of material to the Munitions Board. It may therefore be taken for granted that the Company were at the time they first applied for the license in possession of a bona fide order for the supply of the material to the Munitions Board as war material. It seems therefore unnecessary to go behind the license granted to them at this stage and to institute any enquiries as to the bona-fides of the Company in the statement made by them when they applied for the license.

34 (2) In regard to the second issue the correspondence discloses that a quantity of 2496 tons of chrome was supplied to the Munitions Board out

P 4 of Flag G

NOTE.—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat. | Gov(File No.27 of 1922

Serial No.

of the 28,000 tons contracted for in 3 consignments. After this, probably on account of the declaration of the Armistice and the need for commandeering the stuff having ceased, no further supplies to the Munitions Board would appear to have been made. Messrs. Oakley Bowden & Co., referred to some breaches of the contract made with them by their agents in Londo but, into the truth or merits of this statement it is not necessary for Government to enter.

35 (3) It has already been said above that while Messrs. Oakley & Bowden & Co., took out a license for extracting 28000 tons of ore from the block, they have supplied only about 2496 tons to the Munitions Board. The balance according to the conditions of the license should have been placed at the disposal of Government in the first instance but this Company have clearly failed to do.

36 (4) a quantity of 13902 tons of ore has according to the admission of Messrs. Oakley Bowden & Co., themselves been disposed of without reference to the Government and before the Govt. decided to remove the embargo placed on it.

Para 129 Flag M

37 (5) By taking the course as referred to

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat. | Gvt File No. 27 of 19 22

Serial No.

above, it is clear that Messrs. Oakley Bowden & Co., have committed a breach of the terms of the license granted to the,. This they have themselv admitted in their letter dated 4th August 1922 to the Director of Geology and they have tried t explain the circumstances which they consider should go to extenuate their action in doing so. It was clearly the duty of the Company, as soon as they found that the Munitions Board did not any longer want the material, to have notified the Government as to the quantity of ore which was left over in their hands and offered to them the first refusal of taking over the material. In case Govt. did not want it and agreed to remove the embargo, then they might have disposed it of to others.

38 Not only have they failed to do so, but they have turned round and suggested that Govt. pssively consented to the disposal of the ore otherwise by not insisting upon the first refusal being given to them on the expiry of the license. This however does not seem to be a contention that can be sustained. It will be seen that the suspicions of the Department that the material was being secretly disposed of otherwise, were not aroused until the facts

a preposterous view altogether

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat. | Geo File No. 27 of 1922

Serial No.

came out in the course of the cross examination of some of the witnesses in some criminal proceedings against the Company. It seems pretty clear both by the admission of the Company themselves as also from other independent evidence that the Company have clearly committed a breach of conditions of license and are themselves fully aware of their irregularities committed by them.

39 (6) As regards the last issue viz., the relief that Government is entitled to for a breach of the conditions, the Director of Geology suggests the following course:-

(i) Confiscation by Government of the present stock of ore extracted under the license.

(ii) The refund to Government by the Company of the whole value received by them for the ore sold to others than the Munitions Board less the cost of extraction, and transport and other charges incurred by the Company on that account. The ore lying on the ground at present is reported to be about 14753 tons. The present rate for the material has to be ascertained and the total value of the ore to be confiscated calculated. The exact cost of the ore sold to

2589 16

G. R. S. III-2.

General and Revenue Secretariat. | Gol File No. 27 of 1922

Serial No.

others at the mouth of the mines has to be ascertained from references to the books of the company. With the high price that chrome is commanding at the present moment the levy of pénalty of the Company on the above lines is sufficiently heavy and it is for consideration whether the full penalty on the above lines may be levied from the Company for the irregularities of which they have been proved to be guilty.

S. 40 The Director of Geology has also once reported another similar irregularity on the part of the Company Mayor Chromium Mines (of which Mr C.D. Darby appears to be the dominant partner) in having removed Chrome ore from certain prospecting blocks after the expiry of their licenses and without obtaining proper permission. The Dewan's Minute in their file (linked below) dated 3.12.22 is for remarks in this connection

Secy

15.12.22

(Col Secy) 41 Asst Director

16/12/22

NOTE—Contn. sheet.

P.T.O.

G. R. S. III-2]

General and Revenue Secretariat. | Gol File No. 27 of 1922.

Serial No. 42

5827-579
19.12.22

The typed note put up by the Asst Secy gives a clear & full idea of the facts of the case. Not only have I heard & discussed the position with Messrs Oakley & Bowden personally, but also talked it over with the first Advr. & other the Director, Accounts & Revenue. After giving the matter very careful consideration I am of opinion that Messrs Oakley Bowden have been guilty of a deliberate breach of contract conditions & have indulged in various irregularities which are such as are calculated to deprive them of any consideration which might otherwise have been shown to them. I do not think they are entitled to get any extension of existing licences. I think as a penalty all the ore stocked on the Rd not exported should be confiscated & the firm taught a wholesome lesson

Recd 25-12-22

Mr Bloom

P.S. As regards the ore won & sold in contravention of the understanding. It seems to me that the firm has the penalties. This may take the form of a fine calculated at so much per ton In view of the performances of this firm it seems to me that it ought to be debarred at least for some years to come, from applying for prospecting licences. Recd 24-12-22

NOTE—Contn. sheet.

2 copies) Mrs 26/12

G R. S. III-2a]

DEWAN'S MINUTE

General and Revenue Secretariat.

File No. 192 .

Date of submission	Date of Return	Date of issue of orders in the Secretariat	Remarks

44
I agree with the recommendations of the member made in his minute dated 25.12.(11L)

I regret the fine should be levied under rule 6 of the Rules. I feel this can be imposed & that the amount of the fine is to be

HJ
31.12

45 Please examine the rights of Govt. & complete and keep ready and submit the file early

dee
2.1.23

WD 2314—GPB—2000—28-6-22.

G. R. S. III-2]

General and Revenue Secretariat.

Geol File No. 27 of 1922.

Serial No. 5

From Messrs Oakley, Bowden & Co
Letter receive on 3-1-23 commencement
Request that - no embargo placed on the removal of ore be

Q P. 3.

46 Reference is invited to rule 17 of the rules for the grant of prospecting licenses, which lays down that the Govt. in granting prospecting licenses may impose such special terms as they may in their absolute discretion think desirable.

Q P 12

47 Rule 51 states that the Govt. will require the strict performance of the provisions and conditions contained in any prospecting license.

Q P. 27

48 Clause one of the form of prospecting license includes the condition that the Government shall at all times during the term of the license have the right of preemption of the minerals lying within the prospecting block or elsewhere under the control of of the licensee.

49 Clause 15 of the prospecting license states that if there shall be any breach by the licensee of any provision contained in the license it may be summarily revoked by Govt. and thereupon all rights confer thereby are enjoyed thereunder shall cease.

50 There is no reference either in the rules for the grant of prospecting license or in the form of license itself to the right of Govt., to confiscate the ore won under the rights conferred by the licens

51 The words " Or elsewhere under control of the licensee", in clause one of the prospecting license seem to be somewhat significant in as much as the Govt. will continue to have a hold over the miner mined from the block even though it may not be fou on the block but may as in the present instances have been removed elsewhere.

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat. | Geol File No. 27 of 1922.

Serial No.

Q
P. 38

5x Reference may also be made to clause 15 of the form of mining lease which prescribes that the previous consent of the Govt. should be obtained for sales of ore outside the State by entering into any arrangement with any other person or corporation.

Q
GP 4 : 40

53 There does not appear to be any specific rule or law under which the Govt. have a right to confiscate the ore or levy penal rights for the ore disposed of otherwise than according to the conditions of the license. There is one clause in the form of mining leases which provides that should any question or dispute arise regarding the lease or any matter or thing connected with the mine and mineral lease or the working or non-working thereof etc., etc., the matter in difference shall be decided by Govt., whose decision thereon shall be final (Clause 51).

54 Whether the Govt. have the right to confiscate the mineral or assess penal rights of royalty thereon by the application of the analogy of this clause is a point on which legal opinion appears to be necessary This case may perhaps be referred to the Government Advocate for examination and noting upon the point of law arising therein. // If, as seems to be the case, some additional conditions and rules have to be ~~prescribed~~ prescribed to meet such cases as the one under consideration, in future, the Govt. Advocate might be requested to suggest in what manner the existing rules may be amended.

PUB IV
Serial 5.

55—Messrs. Oakley Bowden & Co., have again represented that the embargo placed by the Director on the removal of the ore collected by them under license ~~by the Govt~~

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat. | Geol File No. 27 of 1922

Serial No.

~~Geological Dept.~~, should be removed and they have again tried by elaborate arguments to prove that they were perfectly within their rights in having disposed of the ore other than to the Munitions Board. No new facts or arguments beyond what they adduced before the Director of Geology have now been put forward. The point that Messrs. Oakley Bowden & Co., are trying to make most of, is that the Govt. should have intimated to them in proper time ~~and~~ of their desire to exercise their right of preemption of the mineral or others ~~ore~~ and they state that, as ~~they~~ Govt. failed to do so, they took it for granted that Govt., was not eager to purchase the material and that they were thus at liberty to dispose it of in any other manner most profitable to them. Messrs. Oakley Bowden & Co., have thus tried to shift the burden of proof on Govt., This is an aspect of the case however which has not been considered before and though there might not be much in their contention of the Coy. ~~Govt~~. the point perhaps requires further examination by the Govt., Advocate. ~~The contention that Messrs. Oakley Bowden & Co. tried to impress upon the Govt. is that the prospecting block was marked by them right through for the Board of Munitions.~~

5b It is for orders whether the file may be referred again to the Government Advocate for further examination and expression of his opinion.

10/4/23

NOTE.—Contn. sheet.

G. R. S. III-2.

General and Revenue Secretariat. | Govt File No. 27 of 1922.

Serial No.

57 The examination of the question contained in the Asst Secy's note above is valid in the case of ordinary Prospecting licenses but in the present case the licenses were granted for a specific purpose viz to supply the Munitions Board and it may be argued that no grant was made as regards quantities which were not made over to the Munitions Board and that as regards these quantities the proprietorship of Govt still continued. Even then it is a point for consideration whether Govt are not bound to meet all legitimate costs of extraction so long as the extraction continued to be bonafide. If this is conceded the action taken will be more in the nature of a claim to the profits rather than a compensation. In the case of ordinary licenses, the licensees will be entitled to be paid the market prices ~~as on this date~~ if the Govt choose to exercise their right of preemption and in the present case the licensees will be denied also the margin of profits

NOTE—Contn. sheet.

25
25

G. R. S. III-2.

General and Revenue Secretariat. | Govt File No. 27 of 1922.

Serial No.

5th For the same reason the Govt will be entitled to liquidated damages as regards guantities sold to third parties but they can hardly be called penalty leviable for the breach of the licence conditions. The only penalty for such a breach contemplated in the rules is the summary revocation of the licence. It is a point for consideration whether the Govt can themselves assess the damages for recovery.

59th is now discovered that the Imperial Bank has lent a considerable amount on the security of the stocks of rice and it may perhaps be expedient to examine the case afresh with the help of the Govt advocate before taking final action.

A

1st member + Dewan

13.1.23
MR 1311

60

A. This may be done. It is necessary to do so.

Reed
16.1.23

5-725-409
15.1.23

NOTE—Contn. sheet.

3240

G. R. S. III-2]

General and Revenue Secretariat.

Genl File No. 27 of 19 22

Serial No.	
5	From the Private Secretary to H.H. the Maharaja 1738 dt 11-1-23. Forwards for disposal the petition received from Messrs Oakley Rowden & Co requesting that the embargo placed on the removal of chrome ore extracted from the Kaivapur block in the Channarayapatna Taluk be countermanded. Previous papers on the subject have been submitted to the First Member of council vide D no 3021. Submitted in continuation.
Submitted on 13-1-23.	

This is an Exact Copy of the petition addressed to Govt. kept placed in the file

2071

Why is this sent now?

NOTE—Contn. sheet.

3021

26

G. R. S. III-

General and Revenue Secretariat. | Gen File No. 27 of 1922.

Serial No.

61 Forwarded with Compliments' letter & Mr. advocate for further consideration and favour of opinion

Chiravanu Rangu
17.1.23.

62 I have recorded my opinion and placed the same in a sealed cover.

U Thanikachalam
Govt Advocate
31/1/23.

63 The Govt advocate's opinion is in the sealed cover. It does not seem to indicate any disaster action

Illegible
1.2.23

(Mr. Member)

64 I have seen the G. A opinion of (date not given) in the attached sealed cover. Under the circs. I shall not press the recommendation contained in the earlier portion of the P.S. to my Minute of 28.2.22.

Illegible
2.2.23

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat. | Govt File No. 27 of 1924

Serial No.

65

Kelkar) 3.2.23

(a) Wm may issue accepting long remarks dated 31.12. Para 1.

MH
12.2
Lee
12.2.23

(b) I have put up a draft order for Consideration.

Mg
17.2.23

(Gl Secy)

A Subsequent petition from the Oath addressed to Mr Pletcher both dt. & received with the latter's memorandum No C 86/1 & 16.2.23 is also put up Mg 17.2.23.

(c) A clean draft as revised by the Gl Secy is put up.

Mg
19.2.23

(Asst. Secy)

Note 95 of 21/2/23

(d) To forward to the Govt. Advocate with compliments for favour of opinion on the draft.

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat.

Geol File No. 27 of 1922.

Serial No.

order with reference to the heralding of the pegs taken in the diagram and its legal soundness

L Aiyar
20.2.23

No. Mg 127/22-23 dy 21.2.23

I have already expressed my opinion on the entire question at some length.

There has been a clear breach of contract and there does not appear to be anything against law in regard to the action proposed to be taken. ~~The royalty payable under the~~ The terms of the order of Government and the express conditions of the licence justify the course proposed. I have already stated that the exact position is in my note.

Chamberlain
Govt Advocate
21-2-23.

1st member
21.2.23

NOTE—Contn. sheet.

A. J.O.

G. R. S. III-2]

General and Revenue Secretariat. | Govt File No. 27 of 19 22

Serial No. 6847-538 21.2.23

Dorp seems to me to be suitable. I have initialled it. It may issue after submission to the Dewan.

Dec 23.2.23

75 Dewan | Dec 23.2.23

MR 23/2

76 Mr Oakley came to see me yesterday and he would contest the order - & argued that apart from the delay of 15 months between the two cases & branded for 3 months

77 Re. It may be submitted to the 2nd Mr. Falconer that the delay of 15 months is likely to lead to complaints

L 24/2

78. For perusal of the Dewan's minute

(Mr Menon) Dec 24.2.23

MR 24/2

Q.7.0.

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat. | Gol File No. 27 of 1922.

6966-65-7
24.2.23

Serial No.

79 Secy
Revd
26.2.23

80 Rep. Devan's Memdg 24.2.23
Rec
27.2.23
MA
27/2.

5640
27.2.23

Dy Secy (Genl)

81 If an alien of enemy nation domiciled in the Mandated Territory shall upon any one of the following grounds

(1) that his contract is voidable on account of misrepresentation in his favour of the term

(2) that he may become committed to a breach of his terms of his stay contract is to substitute his part and the Contract

(3) that even if his contract is not terminable on account of his breach his term is liable otherwise to

82 upon his retirement, if he has any misrepresentation in his favour of his term, his contract shall become

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat. | Govt File No. 27 of 1922

Serial No.

Vendalle and his partners would not claim damages - but his vendor then that there was no such misrepresentation to be had? They - at least three principals had a contract at his with the Board of Directors and his firm did supply ~~the~~ the Board which might not have entered into. The contract therefore cannot be put an end to in this round -

83 As regards the Madras round they may be considered together. The question is whether his supply of the Madras Board was such an essential term of the contract that non compliance with it was to put an end to the contract - The file which has the Instructions pertaining to the round & license show that his supply to the Madras Board was a round & preference was his application and not a term of the contract & there was no requisition from the Madras Board for his supply & he did no material alteration in

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat. | Govt File No. 27 of 1922

Serial No.

[illegible] Board [illegible] [illegible] [illegible]

G. R. S. III-2]

General and Revenue Secretariat.

Govt File No. 27 of 19 22

Serial No.

of the Municipal Board an Executive of the Contract between Messrs Oakley & Co commenced a breach. It is stated that they should have supplied the Municipal Board elsewhere and the Board should not have declared any penalty to Messrs without notice to permission of the Govt. It is admitted that Messrs Oakley have supplied some quantity of the Municipal Board and I have already stated that in case the word 'penalty' in the Govt. order, the Govt did not intend that the Board should necessarily sue for recovery of the Municipal Board. Supposing a case that trade was their intention, it is open to Messrs Oakley Brothers to say in defence that it is actually their contention that they worked for a 'penalty' for the purpose of supplying the Board and it is no fault of theirs if the Board did not take the full quantity contracted by them. The Govt is also the Govt which the breach and to decide on the defence of the Firm, it is unjust to [illegible] the Govt when that

NOTE—Contn. sheet.

Serial No.

[illegible] held their contracts in their own [illegible] at the time when they were working the mines they were bound under agreements with them by them to supply we & their heirs the WTs are not in a position to say even evidence upon the point but it is likely that they will be able to establish their claims by further efforts upon their part.

8 As regards the supply of water to their persons, that the WTs does say in that the ore in mines & the quantities required by the mining Board will if required in the dictionary & the WTs and they will have the first refusal. Upon the discussions that have hitherto taken place the terms & the expression 'if required' has been constantly used and the Govt are afraid lest the WTs [illegible] Govt should take a wrong view of the case. As it is clear from the WTs that the WTs does not say that the ore will be absolutely at the disposal of the WTs. It is only when a need for the ore arises the WTs contemplate taking it over. Then who is to judge of the need of the WTs? Surely the Govt can only. Then if the WTs is to be the judge, then it is likely that the

NOTE—Contn. sheet.

General and Revenue Secretariat.

Govt File No. 27 of 191-2

Serial No.

Govt. Darbhanga has suggested that the Land and Revenue Department may be asked whether they have not to deposit a certain amount of money, but to receive it subsequently from the vendor and that Govt. has stated that under clause 4 of the form of agreement, Govt. have reserved to themselves the right of pre-emption. Now in the draft agreement placed on record, the clause regarding pre-emption is omitted and in its place has been substituted the proposal that Govt. are to have the same powers as exercised above have been asked. But supposing that the clause mentioned has the same meaning as pre-emption then it seems that that does not relieve the Govt. of its duty to give notice of time under the land pre-emption, ~~that~~ it is not the duty of the pre-emptor to give notice of the transaction to any one who wants to exercise the right of pre-emption that has been. To give notice of pre-emption and tender if necessary. In these cases the Govt. have failed to exercise their rights. The Govt. ~~have~~ cannot deny that duty were done and the

* The license was given under the old rules which did not contain a clause about pre-emption

MOS 5/3.

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat.

Govt File No. 27 of 1911

Serial No.

that that he was asking Brandreth own accounts in his own account.
I suppose the dept. of Industry was receiving monthly returns showing his removal & the area and it was his duty to step it by giving notice to him & it was incumbent to enforce his right to pre-empt. As a matter of fact, he just would not have exercised his right because he value & his area at his own was very land and there was no demand for the same - that may remind his right if any is evidenced from his letter when terminated his 15th April & practically permanent to his power to remove his crops were ripe & his own ground. In his letter his just recommending his grant & his permanent & finally says "As licensee may have his right to remove his crops within his rights and they are in my opinion at liberty to take it in any boundary or any land & which they are his property - His stand that his just sum of his right & pre-emption & his usual and allowed his time to dispose & his crops without cancelling his just

His contention appears to be that the Collector disallowing his application for permanent grant does not debar him from exercising his right of pre-emption.

Permanent grant only to recognise his right - Co. to his area after his giving up his license MB 5/2

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat. | Geol File No. 27 of 1912

Serial No.

It appears true in this case that in the case of the Bombay Presidency and that by the action which is proposed the taxing will under Government have to pay heavy damages—

Mr.
5/3/23

87.
1st member & Secy. } Sec.
5.3.23
MR 5/3

15 Mar 1923

5 3

7197-70
5.3.23

88 Secy

Secy
6.3.23.

88 As the meaning of the resolution MR 6/3 reached the Secy Member may be considered Secy member in Council Where that part cannot stand any right we there will be means open to. may be considered

4
7.3

87
Chief Secy with
90 circulate Compli
complete
necessary
amendment. 87.

4
7.3
Sec
7.3.23
MR 7/3

NOTE—Contn. sheet.

38 C 407.

10.

Subject. -

Representation from Messrs. Oakley Bowden & Co. re. the embargo placed on the stocks of chrome ore won by them from the Bairapur block.

....

OPINION OF THE COUNCIL.

91
To be submitted to Members
13/3

7463-23.
14.3.23.
submitted
92 (to Members) 13/3
Mr. Oakley may be written to & asked to come to see me on Tuesday 20th inst. at 3.30 p.m.
Ans
15.3.23
93
Interview with Mr. Oakley 16/3
Lee
16.3.23

G. R. S. III-21

General and Revenue Secretariat. | Genl File No. 27 of 1922.

Serial No.

94 Forwarded for Hon'ble Minister's perusal.

Mrg
16/3/23

6 To C. B. Oakley Esq
Managing Director
New Mysore Chromite Ltd
Bangalore.

5712 & 16-3-23.

Requests him to meet the Hon'ble Member in Council on 20th inst at 3.30 P.M.

95 Mr. Oakley has been requested to meet the Member as desired and the papers are now returned

Mrg
17.3.23

96 1st Member)
7649-S22: 21.3.23. Mr. Oakley came & saw me this afternoon and talked to me about ore with him. He has promised to write making an offer and this communication may be awaited before further action is taken. In case his letter is not received by the end of this month, a reminder may issue.

Hon
20.3.23

Genl B 1 file

NOTE—Contn. sheet.

31-3-23 21 MAR 1923

Hon 21.3.23

Mrg 21/3

G. R. S. III-21

General and Revenue Secretariat.

Geol File No. 27 of 1922. 4444 3853

Serial No.	
7	From Mr. C. B. Oakley, Bangalore. Letter d. 26-3-23. Requests permission to remove chrome ore from the Bairapur Block on certain conditions.
97	Submitted with reference to paragraph 96 above.
	AGS 27-3-23.
98	The rate of royalty on chrome prevailing at the time the license was granted to Messrs Oakley Bowden & Co in 1918 was 12 annas per ton.
99	But this rate was subsequently raised to 1 Re per ton in May 1920 and to Rs 1/8 per ton in November 1920. This is the rate now prevailing.
100	Now, permission to remove the ore banked by Mr Oakley amounts to a renewal of the license ~~which~~ which upso facto recognises his right to the mineral won by him. When a license is renewed it has to be considered as renewed under the Existing rules as regards rate of royalty &c. So in this case Mr Oakley will have to pay a royalty of Rs 1/8 per ton

in any case

NOTE—Contn. sheet.

White

G. R. S. III-21

General and Revenue Secretariat. | Genl File No. 27 of 1922.

Serial No.

101 If his offer is accepted he will not be paying anything in the shape of a penalty. If a penalty is otherwise levied it ought to be at least Rs 2 or Rs 2/8 as this is a very favourable case.

27.3.23.

(Sd) G. Clee

(Sd) Member

7727-800-
29.3.23.

102 The Collector came to see me on the 20th instant and after talking the position over he promised to address further in the matter of his letter of 26.3.23 to the communication in question. The terms which he has offered are what I accepted, at the interview though I made it clear to him that my acceptance was subject to confirmation in Council. The rate of royalty which prevailed in 1918 was 0-12-0 p.t. It now stands at 1-8-0 p.t. It appeared to me that if he pays for all the ore won at the higher rate, tho the licence was given at a time when the lower rate prevailed, he would get something particularly

NOTE—Contn. sheet.

G. R. S. III-21

General and Revenue Secretariat. | Genl File No. 27 of 1924.

Serial No.

as the legal view was that on
part lein was weak & that he
could not enforce either forfeiture
or penalty. If the offer is accepted,
it will mean that Mr. Bailey
will have to pay forthwith in the
neighbourhood of Rupees Forty five
Thousand as royalty on the ore won
up to date. I understand that the
ore won up to date is about 31,000 tons
of which 14500 have been shipped
already leaving 16,500 still on site.
Of the 14500 shipped only 2500 were
on account of the Burmah Corp.
on this the lower rate of royalty has
been paid. For the remaining 12000-0,
royalty has been paid at 0-12-0 p.c.
but under the offer a further sum of 0-2-0
p.c will have to be paid. For what is on
site now, it will be paid for at 1-0-0 after
renewal. I think he may be permitted
to win such further ore as may be available
in his particular block. I pray in it at
the current rate of 1-0-0 p.c.

Sd/-
21-2-25

- NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat. | File No. | of 19

Serial No.

104 Secretary | Sir 31.3.25

Hon 31/3.

105 No further lease can be granted. There will be necessity to check weekly return in case of leased out lipas in the villages. Some of the villages may be connected with Kurnool Project. Pay 40 and one free house to be allotted. Whereever no alienated land is in the opinion of the Mr. possible - This may kindly be considered in G.

Y. 1.4.

106 1st Member

Hon 2/4

P. J.O.

NOTE—Contn. sheet.

4444 44

G. R. S. III-2]

General and Revenue Secretariat. | File No. | of 19

Serial No.

8009-36-
2.4.23

10 The question of offering the alternative suggested may be considered in Council. The views of each given in my minute are subject to verification.

Rew
3-4-23

Mun
4/4

(Council Section)

CS
4/4/23

NOTE—Contn. sheet.

13. C407

Subject. -

Representation of Messrs. Oakley Bowden & Co. re. embargo placed in stocks of chrome ore won by them from the Bairapur Block.

.....

OPINION OF THE COUNCIL.

4444

F. R. S. III-2]

General and Revenue Secretariat. | Gen. File No. 27 of 19 22.

Serial No.

(1) Submitted with a draft.

Ref. 16-6-23. 18.6.23 (2) Clean draft

Typed draft received on 23-6-23.

(3) Submitted with a typed draft as directed. 19/6

Ref. 23-6-23 23.6.23

(4) A draft order is put up for approval.

(5) In their offer of 23.6.23 the Company have agreed to pay Rs 1/8/- per ton of ore won on the block as revised. In the draft order it is proposed that they should pay in advance the royalty calculated at Rs 1/8/- per ton upon the entire quantity on the block now. This would appear to be necessary in order to prevent the Company from having the profit of the ore and leaving the risk on the hands of the Dept. This action is for approval.

(6) 1st Member) 24.6.23

10506-656. 25.6.23.

Draft approved 26.6.23.

27/6

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat. | Geol File No. 27 of 1922.

Serial No.	
10.	To the Director of Geology via D.C. & Hassan. DL 4-5 dt 2-7-23. Directs that the company be permitted to remove the ore on payment of a royalty at 1-8-0 per ton in advance etc.

NOTE—Contn. sheet.

16614

M. G. D. 12.

No. 376
Encs: 12

Dated, Bangalore, 4/9/1922.

From

B. JAYA RAM, ESQUIRE, F.G.S.,
Director, Mysore Geological Department.

GEN. & REV. SECRETARIAT
6 – SEP 1922
INDUSTRIES & COMMERCE
BRANCH.

To

B. Venkoba Rao, Esq., B.A.,
Secretary to the Government of
His Highness the Maharaja of Mysore,
General Department, Bangalore.

Sir,

I have the honor to invite a kind reference to Government Order No.G.11726/Geol.82-17-5, dated 23rd February 1918, sanctioning the grant of a temporary prospecting license for Chrome Ore on certain special conditions to Messrs. Oakley, Bowden & Co., for a block of one square mile of land (called the Bail Block) in the Chennarayapatna Taluk.

2. The license (No.473) granted to Messrs. Oakley, Bowden & Co., in accordance with the said order expired on the 20th March 1919, and in pursuance of the Chief Secretary's letter No.G.23481/Geol.31-18-23, dated 15th April 1919, permission was granted to that Company to stack the ore after the date of the expiry of the license on their private land within the area of the prospecting block, subject to the condition that they should remove the ore, if required by this Department to do so on receipt of reasonable notice not exceeding three months.

3. The special conditions of the license required that the block should be worked purely for the Board of Munitions for the supply of raw materials and that any chrome in excess of the quantity contracted for such supply should be placed, if need be, at the disposal of Government

Government who should have the first refusal of the same. It had been represented by the licensees, during the currency of the license, that they held "contracts to supply Munition Works in England with chrome ore up to 18,000 tons or 24,000 tons if possible" and in consequence of this report work was allowed to be continued notwithstanding the Armistice till the expiry of the full period of one year for which the license was granted and permission was also granted for stacking the ore after the expiry of the license on the licensees' private land within the prospecting block.

4. It having, however, only recently come to my notice that Messrs. Oakley, Bowden & Co., have been supplying ore won from the block not to the Munition Board but to others, I wrote to that firm on the 21st June 1922 calling for information as to the actual quantities which they had contracted to supply to the Munition Board, the quantities supplied by them from time to time up to date to the Board of Munitions, the date and quantity of each supply and the sale value of each consignment. No reply having been received until the 20th of July 1922, I sent a reminder to the firm on that date and asked them at the same time not to remove any ore out of the stock on the block or elsewhere under their control pending orders of Government in regard to the disposal of the same. This was considered necessary in order that the export of ore for purposes other than those for which the license was specially granted should be prohibited to all possible extent. The correspondence which has taken place up to date between Messrs. Oakley, Bowden & Co., and this office in the matter, copies of which are submitted herewith for kind perusal of Government, discloses :-

(1) that against the large quantity of 24,000 tons of ore which they had represented to have contracted for supply to the Munition Board, the actual quantity supplied to that Board was only 2496 tons from the block in question;

(2) that no ore has been supplied to that Board since the Armistice owing to an alleged breach of contract on the part of the firm's London Agents;

(3)

(3) that even after the cessation of the contract with the Munition Board the licensees continued to work the block and extracted as large a quantity as 16,907 tons of ore;

(4) that even during the currency of the contract with the Munition Board about 2420 tons of ore were sold to others than the Munition Board;

and (5) that up to the 31st of March 1922, 12,649 tons of ore have been sold to others than the Munition Board (including the 2420 tons mentioned above:)

5. Messrs. Oakley, Bowden & Co., never reported to this Department that their contract with the Munition Board had ceased; nor did they apply, on the cessation of the contract; for permission of Government to continue to work the block and extract the ore for supply to others. The continuance of work on the block with the knowledge that the ore to be obtained was not for supply to the Munition Board is a serious breach of the condition of the licen[illegible]urther breach has been committed in their omissi[illegible] to give the Government the first refusal of the excess quantity of ore left after supply to the Munition Board. Another matter in connection with the license, which has [illegible]ently been brought to light and is now under investigation is the alleged transfer of certain rights under the prospecting license to the Mysore Chromite, Ltd. This was noticed by me on a perusal of the columns of the Daily Post of the 31st July 1922 containing Mr. C. B. Oakley's recent statement before the City Magistrate's Court, Bangalore. No transfer of any rights in the license to the Mysore Chromite, Ltd., has ever been reported to this Department, nor has the previous sanction of Government been obtained thereto as required by the terms of the license. Messrs. Oakley, Bowden & Co., have been called upon to submit full information as to the rights or interests, if any, transferred to the Mysore Chromite, Ltd., together with a copy of the Deed of Transfer. If it is a fact that there has been such a transfer, the omission to obtain the previous sanction of Government to the same is a serious one and would add to the above mentioned derelictions on the part of Messrs. Oakley, Bowden & Co. A further communication will

will be submitted for the orders of Government on receipt of all the information I have asked for from the firm. In the meantime I have thought it advisable to keep the Government posted up with the preliminary circumstances of the case.

6. I wish also to bring to the notice of Government that, notwithstanding the injunction issued as mentioned in para 4, Messrs. Oakley, Bowden & Co., have lately shipped 459 tons of chrome ore from the Bairapur Block alleged to have been removed to the Madras Harbour before the date of the injunction. Their plea has been that they have done so lest they should be held liable for dead freight in case they failed to ship the entire quantity of ore booked. The plea does not, however, appear to be convincing, and I have pointed out to them that under existing circumstances their action in doing [redacted] be held to be at their own risk and liability.

I have the honor to be,

Sir

Your most obedient servant,

B. Foote Rao

Director,

Mysore Geological Department.

ĉvv

Letter, dated 5th May 1922, from Messrs. Oakley, Bowden & Co., Managing Agents MYSORE CHROMITE LIMITED, Melrose , Museum Road. Bangalore, to the Director, Mysore Geological Department.

With reference to previous correspondence in connection with the area we applied for in 1918 and for which we were granted a temporary license - No.473 for an area in the Bairapur village of the Hassan District, you will doubtless recollect that we applied for a renewal of our prospecting license over this area, but for certain reasons our request was not acceded to.

A rumour has reached us lately that others are applying for the chrome rights of this State, while it is common knowledge that the proposals are being made to form a Company to take over certain mining rights of the State in which are included such chrome areas as are not already held under mining lease.

We refrained from pressing our peculiar claims with regard to this area pending the formation of an indigenous chrome industry to be started as, we understood, was contemplated by the State itself. It will be remembered we submitted certain proposals for the formation of a local chrome industry which we ourselves were prepared to promote, and we are still prepared to submit a scheme to this end should the State itself no longer propose to carry through the venture themselves. We do not consider the present moment opportune for the promotion of a Company to carry out such a scheme, but may say that our earnest wish is that we should be able to produce the finished product and obtain the profit therefrom locally for the benefit of ourselves, local capital and the State, if it can be done with reasonable hope of success and profit to those who undertake the enterprise.

Our reason for raising the issue now is, however, to ask you to be good enough, should the matter in any shape or form come up for consideration, to bear in mind our services and investments with regard to the Bairapur area. We respectfully submit that if it be at any time contemplated to give this area to any person or

Company

Company our application is already before you and having regard to the very heavy investments we and other Companies with which we are associated in the Mysore Chrome Industry have made in connection therewith, we would ask you to be good enough to give us the first refusal should the State decide to remove its reservation of chrome ore and throw it open again to public enterprise.

Thanking you in anticipation for anything that can be done in this connection.

Copy.

For Director,
Mysore Geological Department.

(Note.- A copy of this letter has already been sent to Government separately with this office No.90, dated 19th July 1922.)

Letter, dated 15th June 1922, from Messrs. Oakley, Bowden & Co., 15, Armenian Street, Madras, to the Director Mysore Geological Department.

We have the honour to refer to our letter of the 5th of May last and in view of the recent pronouncement of the withdrawal of the reservations in connection with the Mining Industry of Mysore, we beg to request you to place our letter of that date before the Government and to enquire whether they would grant us a Mining Lease for the land in question, which we previously held under lease No. 473.

Thanking you in anticipation.

Copy.

for Director,
Mysore Geological Department.

Letter No.2058, dated 21st June 1922, from the Director, Mysore Geological Department, to Messrs. Oakley, Bowden & Co., 15, Armenian Street, Madras.

With reference to your letter, dated 5th May and 15th June 1922, requesting that you may be given the first refusal of the Bairapur Chrome Block in the Chennarayapatna Taluk, Hassan District, comprised in your Prospecting License No.473, I have the honour to invite your attention to the special condition laid down in Clause 1 of the said license and to request the favour of being furnished at a very early date with a statement showing the quantities of chrome ore supplied by you from time to time during the currency of the license to the Board of Munitions, the date and quantity of each supply, the name of the purchaser, and the sale value of each consignment, together with authenticated copies of the orders received from the Board of Munitions for the supply made and of certificates in respect of the quantities purchased by them from time to time.

2. The matter may kindly be treated as very urgent.

Copy.

For Director,
Mysore Geological Department.

Letter, dated 1st July 1922, from Messrs.- Oakley Bowden,& Co. Managing Agents, Mysore Chromite Limited, to the Director,Mysore Geological Department.

We are in receipt of your letter No.2058 of the 21st ultimo for which we thank you. The matter is having our attention but unfortunately our Mr. C.B. Oakley is at present on tour and we are also afraid it will be some little time before we can give you the information asked for as it involves a reference to the late Ministry of Munitions, through our London Agents.

Copy.

for Director,
Mysore Geological Department.

Letter No.94, dated 20th July 1922, from the Director, Mysore Geological Department, to Messrs. Oakley, Bowden & Co., 15, Armenian Street, Madras.

I have the honour to invite your attention to my letter No.2058, dated 21st June 1922 and your ad-interim reply thereto, dated the 2nd instant, and to request you to be so good as to furnish me, at a very early date, with the information therein referred to, as to the quantity of chrome ore contracted for, for supply to the Board of Munitions, the quantities supplied by you to the said Board, from time to time, from the block lately held by you under temporary prospecting license No.473, in the Chennarayapatna Taluk, together with certified copies of the purchasers' certificates.

2. In view of the fact that the said license was issued to you on the distinct understanding that the area should be worked purely "for the Board of Munitions" for the supply of War materials and on the condition that any chrome ore in excess of the quantity contracted for, for such supply, should be placed at the disposal of Government, who should have the first refusal, I have to inform you that no ore won from the said block should be removed by you out of the stock you now have either on the block or at Tiptur, Honnekoppal, or elsewhere under your control, pending orders of Government, in regard to the disposal of the same.

Copy.

For Director,
Mysore Geological Department.

Letter, dated 19th July 1922, from Messrs. Oakley, Bowden & Co., Managing Agents, Mysore Chromite Limited, to the Director, Mysore Geological Department.

With reference to our letter of 5th May 1922 and our interview on the same subject with the Dewan, we hereby make our formal application for a prospecting license over the area held by us previously in license No.473. As already intimated to you as the result of the license and of a contract for 24,000 tons of chrome on behalf of the Munitions Department of which we were only able to deliver a small portion we had the balance of our stocks left on our hands from 1918 unsold until very recently and we have so far obtained no redress for this breach of contract on the part of the Munitions Suppliers who purchased this ore from us. In our endeavours to dispose of the heavy stocks on our hands we were compelled reluctantly to consign to Europe and America, and in doing so were caught, like many other merchants with comparatively large shipments unsold afloat at high freights ruling as much as 85 shillings per ton and which fell in a fortnight to 30 shillings. Needless to say the Chrome Market fell in sympathy and we sustained very heavy loss in the falls of market as well as in the slump that occurred owing to the depressed state of the American Market where our stock which cost us 27 dollars a ton to land in New York was sacrificed or 6 or 9 dollars per ton. We have, however, continued to carry on this business in spite of these losses and have familiarised the markets of the world with Mysore Chrome.

There is an improvement in the market for this mineral although as you are doubtless aware the high contents of iron and silica render it by no means a favourite, compared with the production of Rhodesia, New Caledonia and Baluchistan. Neverthless we believe we could get back our investment with a small profit if Government could see their way to grant us a prospecting license with a view to mining lease of the area on which we have

spent

spent so much capital. Should Government be pleased to consider this proposition favourably we would be prepared to accept as a condition of this contract the principle that a reasonable proportion of our profits should be paid to Government and we should be glad to hear what Government consider would meet the case under such circumstances. Our Directors who have considered the matter will be glad to know whether the following would meet with acceptance:-

The Mysore Government to receive 15% of all nett profits ~~according~~ accruing from the ore sold from the Bairapur Mines from the issue of such license now asked for..

We trust that Government will consider this a favourable offer in view of the very speculative nature of mining business also seeing that the existing Royalty 12 annas per ton is practically equivalent to 12½% of the net profits, while Income tax would represent a further 10%; thus the Government gets under this arrangement approximately 37½% of the profits derived from this mine.

We understand the objection raised to renewal of our mining license was that Government desire to reserve the area for ~~my~~ any indigenous scheme which might prove feasible in the immediate future. We are aware the license, though applied for in the ordinary way, was given special restrictions as to its duration and rights as to mining lease, but if Government have now abandoned such ides of State enterprise we specially submit. that long association of our principals in this State which date back in the case of our Mr.C.B.Oakley to 1897 and in the case of our Managing Agents from 1916, in the event of the State standing aside, we respectfully submit our representations are specially entitled to favourable consideration, more especially seeing that we are in hearty accord with Government's desire to obtain the maximum industrial return from the mineral in this country.

If Government have any proposals or resources which will enable

2.

enable us to improve the export article we should be happy to collaborate not only by means of the present stocks held at Bairapur but with those held under the mining leases of two other areas which we acquired in the State. Our representative could proceed home to investigate the possibilities of obtaining the collaboration of those interested in similar industries at Home for the establishment of a local source of production on similar lines.

Copy.

H. C. Broadley

for Director,
Mysore Geological Department.

Letter, dated 4th August 1922, from Messrs. Oakley,Bowden & Co., 15, Armenian Street. Madras. to the Director, Mysore Geological Department.

LICENSE NO.473.

We have the honour to acknowledge receipt of your letters No.2058, dated 21st June 1922 and No.94, dated 20th July 1922, regarding the above matter, and apologise for the delay consequent upon the reference to the necessary files.

You will recall that at the time of granting us this license with the special condition attached you called upon us to submit evidence of our having a Munition order. This we did and by your letter 2453 of 30th March 1918 you advised us, to quote your own words.

"I am satisfied with your order for Chrome os for Munition Supply".

It will thus be seen that your Department investigated the orders and satisfied itself that the conditions of the contract were bonafide more than four years ago. We respectfully submit we are placed at a very serious disadvantage to have this question reopened four years after the transaction. We have, however,looked carefully through all our communications with our Agents, as we are anxious to make it clear to your Department that we have done all that was humanly possible throughout these negotiations to comply with their known intentions regarding the output of this area.

We find that so far back as 5-5-1917 in our opening communications with Messrs. G.D.Jennings & Co.,Ld., we referred them to "Munitions" for contracts. On the 5th October 1917 they advised us that they were seeing the Directors of Munitions that week, and on 30th they cabled out to us that "Munitions requesting firm offer". Our subsequent order followed out of these negotiations. If you require it we shall furnish you with copies of these letters.

The

The fact that the ore was required by the Munitions Department we further submit was confirmed in that we cabled on 1st November 1917 that the "Ministry of Shipping" had declined to grant permission for space, having granted 2000 tons a month to Karachi. See Madras Homeward Conference letter 6th March 1917 attached. G.D.Jennings & Co.,Ld,,our London Agents, replied to this on 10-1-19 as follows:-

"Munitions offer Rs.35/- F.O.B. without freight insurance 1000 tons monthly commencing January guaranteed 47½% Controller has arranged for freight telegraph confirmation".

In view of the special terms of our contract with you, we were specially careful to indicate to our Agents that the supply must be for munition purposes so that our reply to the above was "Confirmed provided Munitions order". Again when negotiating a few days later we tried to get the quantity definitely increased to 2000 monthly we qualified our request by "provided for Munitions" realising that unless we could supply Bairapur ore we could not safely accept such orders. To this they replied on 25-1-1918

"Munitions arrangement limited 1500 monthly" but on 8-2-1918 they advised us that the "Controller has arranged 2000 monthly".

But the most conclusive evidence we can tender you as proof that the order was one for Munition purposes is the fact that our Agents have failed to take delivery of the ore excepting for 10% of the order supplied prior to the armistice and the breach of their contract dates from the armistice.

We regret having to bring so much detail before you again, but we submit the above as conclusive indication that we did absolutely all in our power to fulfil the terms on which the lease was granted to us and to exclude any ore from the mines being used for any but munitions purposes.

We trust this evidence which we have produced both of the nature of our order and our efforts to ensure absolute compliance with the special terms of your license will be satisfactory to you. As to the "Authenticated copies of order" and certificate "in respect

of

We

of the quantities purchased" we have as already advised you written home to our London Agents for these.

The total quantity supplied against this order was 3466 tons in all of which only 2496 was supplied from Bairapur. The figures are as follows:-

	Total	From Bairapur
Despatch per s.s. "Cheybassa"	1095	125
"Marwarri"	1003	1003
"City of Naples"	1368	1368

Your department having expressed its satisfaction that the order was for Munitions purposes we had no reason to anticipate that you would require such copies or certificates, especially seeing that we had received no reply to our letter of 22nd March 1918 wherein we asked you to let us know if you required any further information. We also feel it necessary to advise you that we anticipate considerable difficulty in obtaining such information at all, as Messrs. G.D. Jennings & Co.,Ltd. whose order we place before you, have since gone out of this line of business as per enclosed notice. So that while we are endeavouring to obtain the information asked for, we should be glad if you would reconsi your request for these certificates in the light of the following facts.

(1) The smallness of the quantity supplied against the shipment, approximately 10% of the order.

(2) The absence of notice at the time that anything further was required in spite of definite enquiry on our part.

(3) The lapse of time, i.e., four years.

(4) The subsequent cessation of the Agents in the case to carry on the business.

(5) The absence of any locus standi on our part with the Munitions Board even if this is still functioning which we feel is doubtful.

We have fully disclosed to you our position by the correspondence originally produced before you, and we would specially

refer

refer you again to the copy of Messrs. G.D.Jennings & Co's letter of 9th January 1918 which was laid before you at the time.

We would however point out that in spite of the Armictice we were permitted to continue the extraction of ore until the expiry of our license, i.e., up to 30th March 1919, which permission we take the liberty of suggesting in view of the Armistice was tantamount of waiving of the special conditions regarding supplies to Munitions, seeing that that demand has ceased, which view we were confirmed in by the fact that we were permitted to stack the ore on our own private lands on the area of the prospecting license no.476 subject to three months notice on the part of the Department, if they required us to remove the ore, and were further permitted to remove the ore, on payment of Royalty. On the expiry of the license we declared the total quantity mined and have since submitted quarterly returns of our railments showing quantities sold and the royalty has been paid to Government and accepted without demur and we therefore submit that in the light of these facts it was not unreasonable for us to suppose that Government did not need the ore nor desire to exercise their right of first refusal. We admit, we had gathered that Government's action in thus waiving the special condition of the license in this respect was due to a recognition of the fact that we had incurred a very heavy expenditure working the mines for Munitions purposes based on the scale of a Rs.8,40,000/- order and that having regard to this it was considered only equity that we should be allowed to dispose of the ore elsewhere seeing that Munition Demand had ceased, and we respectfully submit that had the Department indicated a contrary view at the time of the expiry of our license, we should have then redress against our purchasers which we fear may be barred by time. We would also point out that Government gave us no notice that they required the ore and in view of ~~the~~ your Department's embargo on the removal of ore from this area we should be glad if Government would exercise at once their right of purchasing this at the present market rate. We trust you will pardon our asking if this could be treated as urgent in the light of the fact that on the assumption that Government were not interested in the purchase of the ore,

we

we have already entered into contracts and we have at the Madras Harbour waiting shipment by steamer this month 459 tons sold at the the equivalent of Rs.32/- Madras Harbour and if the Government are not prepared to take this over, we would ask you to permit us to ship it in order to obviate the claims that will lie against us if we fail to do so. We have also an order for 2500 tons at the equivalent of Rs.34/- Madras due for shipment as soon as possible, most of which we had proposed to supply from this area and some of which has already been carted to the station. We have, as requested, stopped all carting and railing in the interval but shall be very glad if you can expedite the orders with regard to this in order to obviate any possible claims against any of the parties concerned.

We trust that the foregoing will satisfy your Department of our absolute good faith in these matters. If however your Department have any other reasons for making this enquiry than those indicated in the correspondence up to date, we should be glad to be given the fullest opportunity of satysfying you further. We apologise for making such a suggestion but would mention that we are indebted to our neighbour, Mr.V.Manickavelu Mudaliar, for the allegations that the present enquiry is at his instigation. If there should be any truth in this allegation, we should be grateful if you will allow us to know exactly what he has charged us with, to enable us to submit a full statement of our dealings and purchases from this gentleman, which will throw much light on our relationships and we on our part welcome the most thorough enquiry as stated above. We make this suggestion owing to Mr. Manickavelu Mudaliar's own statement before the Bank of Mysore Agent and many others, and also in view of the questions he asked in the recent defamation case, which indicated such a very intimate knowledge of our current correspondance with you as to render his own explanation that he had invited the enquiry the most kinder of two alternatives.

Copy.

Yours faithfully,
for Director,
M/s. Mysore Govt. Dept

44

No 286.
Dy 22.8.1922.

Messrs. Oakley, Bowden & Co.,
15, Armenian Street, Madras.

// Gentlemen,

I have the honor to acknowledge the receipt of your letter, dated 4th August 1922, regarding your obligations in respect of the special conditions under which the temporary prospecting license No.473 was granted to you for chrome ore over the Bairapur Block in the Chennarayapatna Taluk, viz,- that the area should be worked purely for the Board of Munitions for the supply of raw materials and that any chrome ore in excess of the quantity contracted for for such supply should be placed, if need be, at the disposal of Government who should have the first refusal of the same.

2. It is stated in your above mentioned letter that this Department satisfied itself as far back as the 30th March 1918, that you had a bona-fide order for supply of chrome ore to the Munition Board, and that you are now placed at a serious disadvantage to have "the question re-opened four years after the transaction." This shows that you have very largely misunderstood the object of the enquiries contained in my letter No.2058, dated 21st June 1922. As stated by you, the Department did satisfy itself when the license was issued in March 1918 that you had a bona-fide order for supply of chrome

ore

ore to the Munition Board, but the main object of my letter No.2058, dated 21st June 1922, was to satisfy ourselves that the condition in the prospecting license relating to the supply of chrome ore exclusively to the Board of Munitions is being duly fulfilled by you. The Department had until recently no reason to entertain any doubt that any quantity of the ore won by you during the currency of the prospecting license was supplied to anybody else but the Munition Board and it was only recently when Mr. V. Manickavelu Mudaliyar and your Agent Mr. C.B. Oakley came to me on several occasions, each with his own representations and both with malicious dispositions and designs against each other and the chrome business, that my suspicions were roused and such a doubt created for the first time. The facts now disclosed in your present letter of the 4th instant, as well as the evidence recorded by Mr. C.B. Oakley before the City Magistrate and contained in the Daily Post issue of the 31st July 1922, tend to corroborate not only our suspicions and doubts but also necessitate a thorough enquiry into the whole case.

3. It is reported in your present letter that the total quantity of ore supplied to the Munition Board from the Sirepur Block is 2496 tons, that your Agents failed to take delivery of further ore and that the breach of their contract with you begins from the date of the Armistice. The Armistice was declared in November 1918, but the fact that you had no supplies to make to the Munition Board in consequence of their alleged breach of contract was never reported to this Department, but it had to be gathered only from your recent letters of the 19th July 1922 and 4th August 1922. The omission to report this fact is most unsatisfactory and has led to serious consequences in so far as work on the block was continued for purposes known to be other than for supply of ore to the Board of Munitions and as much as 16,907 tons of ore extracted even after the cessation of the contract

with

the Munition Board.

4. Another significant fact which has since been noticed in this connection is that even during the currency of the contract with your Agents and before the declaration of the Armistice certain quantities of the ore have been supplied to others than the Munition Board. The total quantity supplied to the Munition Board is 2496 tons according to your present letter, whereas it is seen from the quarterly returns received from you that during the very first quarter ending 30th September 1918. after the grant of the prospecting license to you, a much larger quantity of 3256 tons was removed. The difference between these two figures is 760 tons and it is evident that it must have been sold to others. It will thus be clear that a breach of the conditions of the license began to be committed by you even at such an early period of the license.

To the above mentionedquantity of 760 tons sold to others, before the Armistice, should also be added 1660 tons, being the quantity exported between 1st October 1918 and 11th November 1918 (i.e., the date of the Armistice.)

5. The total quantity of ore exported by you up to 31st March 1922, amounts to 15,145 tons according to the returns submitted by you and of this only 2496 tons are now reported to have been sold to the Munition Board. The total quantity sold to others up to the 31st March 1922 is 12,649 tons. It is represented by you that it is difficult for you to obtain and submit authenticated copies of certificates of purchase in respect of the ore sold to the Munition Board and I have to request you, therefore, to submit for my inspection and return the original papers or accounts, maintained by you in accordance with Clause 6 of the license, which can show all the sales of ore made by you from time to time up to date to the Board of Munitions and to others, the names of the purchasers and the sale values obtained on each occasion.

6. You also state in your letter that, in spite of the Armistice, you were permitted to continue the extraction of ore until the expiry of your license on the 30th March 1919 and you argue that the permission was tantamount to waiving the special conditions regarding supplies being confined to the Munition Board only and that this view was confirmed by the fact that you were permitted to stack the ore on your own private lands in the area of the prospecting license, subject to three months' notice from Government and that you were permitted to remove the ore on payment of royalty. There is no record in this office of any permission granted to you to continue the extraction of ore after the Armistice. In fact, the termination of your contract for supply of ore to the Munition Board was never reported by you to this Department and no objection was taken to your continuing work up to the end of the full period of the license, as we were acting on the knowledge that you had an order for a supply of 28,000 to to the Munition Board and that you had, therefore, a right to extract and remove ore up to that limit. Had the cessation of your contract been reported to us, immediate steps would have been taken to prevent the continuance of work on the block and the export of any ore therefrom. It seems probable that it was with the special purpose of avoiding such action being taken by us that you omitted to report the termination of your contract. The permission to stack the ore on your private lands was also accorded in the belief that you had still to fulfil your contract for the supply of 28,000 tons to the Munition Board, and that your conduct and intentions were fair and "bona-fide". Even the quarterly returns submitted by you did not give us any clue as to whom the ore was supplied after the Armistice.

7. Facts and circumstances go to show that there have been the following breaches on your part in respect of the conditions of the license, viz.-

(1) Omission to report the cessation of your contract for supply of ore to the Munition Board.

(2) Supply of ore during the currency of the contract to others than the Munition Board.

(3) Continuance of extraction of ore after the cessation of the contract.

(4) Supply of ore to others than the Munition Board after the cessation of the contract without giving the Government the first refusal of the same.

8. In addition to the above, there is another matter which has yet to be gone into in respect of the prospecting license. The statement recently made by Mr. C. B. Oakley before the City Magistrate's Court, Bangalore, contained in the Daily Post of 31st July 1922, reveals that certain rights under the prospecting license were transferred to the Mysore Chromite, Ltd. The transfer of any rights in the license to that Company has never been reported to this Department, nor the previous sanction of Government obtained thereto as required by Clause 13 of the license. How far the above statement can be accepted or refuted, I am not prepared to say, but since it has been reported as having been made by your Agent, I have to request you to furnish me, at a very early date, with full information as to what rights or interests, if any, were transferred to the Mysore Chromite, Ltd, together with a copy of the deed of transfer.

9 In conclusion, I have to state that I am extremely surprised at the way in which the affairs of your Company have been allowed to be conducted in several of the transactions in connection with the license. The above mentioned breaches of the conditions of the license are, in my opinion, so grave that they warrant not only the confiscation to Government of all the present stock of ore obtained from the block, but also the recovery from you of such compensation and penalty as may be decided upon in respect of the quantity of ore sold up to date to others than the Munition Board and in respect of the transfer of any rights or interests in the license to the Mysore Chromite, Ltd. The question of the exercise by

Government

Government of the option of first refusal of the ore now on hand is, under the circumstances now brought to light, only a secondary one which can be taken into consideration, if need be, only after a decision is arrived at in the matter of the confiscation of the ore, which forms at present the primary question for the orders of Government. As the whole matter requires to be thoroughly gone into and submitted to Government for orders, I request that you will kindly bestow your careful attention on the several points raised and furnish me with all the necessary available information.

10. I have also to inform you that your assumption that Government were not interested in the purchase of the ore is unwarranted and that if you have entered into any contracts for the supply of ore to others than the Board of Munitions you have done so only at your own risk.

11. Lastly, with regard to the comments made by you in respect of (1) the allegations stated to have been made by Mr. Manickavelu Mudaliar that the enquiry made by me was at his instigation, and (2) the questions he asked in the recent defamation case which, you think, indicated his very intimate knowledge of your current correspondence with this office, I have to state that both the comments are not only uncalled for and unwarranted, but that they also appear to have been made with a view to cast an unjust reflection on this Department. The enquiries contained in my letter No.2058, dated 21st June 1922, and No.94, dated 20th July 1922, were made not at Mr. Manickavelu Mudaliar's instigation, but on representations made to me by Messrs. C.B. Oakley, and Manickavelu Mudaliar as already referred to in para 2 of this communication.

I much regret the lack of courtesy and gratitude due to this Department.

I have the honor to be,
Gentlemen,
Your most obedient servant,

for Director.

cvv Supdt. Geol. Dept.

for B. Jagannath Rao.
Director,
Mysore Geological Department

Letter, dated 24th August 1922, from Messrs. Oakley, Bowden & Co., Managing Agents, Mysore Chromite Ltd., 15, Armenian Street, Madras, to the Director, Mysore Geological Department.

With reference to your Department's recent embargo upon the removal of Bairapur Stocks pending the result of their enquiry regarding this, we have the honour to report that we have now at the Madras Harbour about 300 tons Bairapur ore which had already been railed to be shipped against an order. We have made an effort to obtain the necessary quantity to replace this from Sinduvalli but are very dubious whether it will reach us in time as the steamer has been declared about a week earlier than was expected. Under the circumstances we have the honour to request that we may be permitted to ship this ore to obviate a claim for dead freight and damages for short shipment, it being understood that we account to Government for its disposal should we be called upon to do so. A reply by wire regarding this, if possible, would be greatly appreciated as the steamer is now loading.

Your letter 286 of 22nd has only reached us this morning and being mail day we cannot reply today. We should however like to correct the wrong impression our previous letter has conveyed owing to our failure to make it clear that the alternative alluded to in our closing paragraph applied to Mr. Manickavelu, we admit we failed to see that indirectly this involved a reflection upon your Department. Kindly accept our apology and assurance that this was not intended.

Then again as to the question of our gratitude, we assure you we are indeed grateful to the Department for all past courtesies and kindness and trust that the Department will give us many opportunities to prove this, and we hope that we shall at a very early date be able to answer your letters so fully as to satisfy you that we have sought to act with the utmost frankness with the Department and that if we have been guilty of any breaches of contracts, it has

been

been due to either bona fide oversight or misunderstanding.

Copy

K C Varadachar
for Director,
C.M. Mysore Geological Department.

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W 330
Dy 28-8-1922

Messrs. Oakley, Bowden & Co.,
15, Armenian Street,
Madras.

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Gentlemen,

With reference to your letter, dated 24th August 1922, requesting permission to ship about 300 tons of Chrome Ore obtained from the Bairapur Block and now at the Madras Harbour, I have the honour to state that I very much regret my inability to comply with your request at the present stage when the question of your title to the said ore is in dispute. Endeavours will, however, be made to settle that question without loss of time, if you will kindly expedite the submission of the information called for from you in my letters Nos. 258 and 286. dated 15th and 22nd August 1922, respectively.

I have the honour to be,
Gentlemen,
Your most obedient servant,

for B. Rangabhan
Director,
Mysore Geological Department.

C.M.

Copy
W Wardsworth
Dr Director

Letter No.4051, dated 28th August 1922, from Messrs. Oakley, Bowden & Co., Madras, to the Director, Mysore Geological Department.

With further reference to our letter No.3995 of the 24th and our letter of the 4th August page 7, and also of your letter of the 20th July No.94, we have the honor to report as we have not received any reply to our letter No.3995 of 24th August, and we have received intimation from the steamer agents that we shall be held liable for dead freight should we fail to ship the entire quantity of ore booked, kindly note that we have accordingly shipped per s.s. "Nile" a portion of the stock, according to our books 459 tons, referred to in our letter of 4th and 24th August, and of course as mentioned in the latter we shall account for Government in due course for any quantity so shipped if called upon to do so. We have taken this step on legal advice that it is the best in all interests in order to avoid all claims which would lie against us.

As already reported we had hoped to have received 300 tons from elsewhere in time in order to obviate touching the stock at Harbour in view of your Department's present attitude.

"Copy"

Director,
Mysore Geological Department.

Letter No.336, dated 29th August 1922, from the Director, Mysore Geological Department, to Messrs. Oakley, Bowden & Co., 15, Armenian Street, Post Box No.67, Madras.

I have the honour to acknowledge the receipt of your letter, dated 28th August 1922, reporting that you have shipped 459 tons of chrome ore obtained from the Bairapur Block. Your letter of the 24th instant was received during the holidays in connection with the Gauri and Ganesha feasts and immediately my office was reopened I sent you a letter yesterday, No.330, expressing my inability to grant under existing conditions, the permission applied for by you for the removal of the ore in question. I am surprised at the report you have now sent me that the ore has already been shipped and I must point out that your action can, in spite of any legal advice you may have obtained, only be held to be at your own risk and liability.

Copy.

For Director,
Mysore Geological Department.

C.N.

G. R. S. VI—G/32]

SUBJECT.....

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Diary No. of letter replied to 1180.

General and Revenue Secretariat

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Section Geol.
File No. 27-22.
Serial No. 1.

No. 1853.

To

The Director, Dept of Geology

Sir,

Date of issue 23rd September 1922

Signed by Mr M. S. R. Rao

With reference to your letter no 376 dt 4-9-22 bringing to the notice of Govt certain irregularities on the part of Messrs Oakley Bowden & Co on account of breach of conditions of prospecting license granted to them for chrome in Nairapur village in the Hassan district, I am directed to request that the submission of the further report promised ~~& report~~ as to whether there was any transfer of rights under the license to Messrs Chronite may be expedited

Nov 1/19 Shanbhag
for Secy to Govt Genl Dept.

20081

D1841 78

M. G. D. 12.

No. 606
Encs: 4

Dated, Bangalore, 20/10/1922.
Genl 27-22-1

From

B. JAYA RAM, Esquire, F.G.S.,
Director, Mysore Geological Department.

GEN & REV. DEPT
9 DEC 1922
21 OCT 1922

To

GEN. & REV. SECT
23 OCT 1922
COMMERCE
BRANCH.

B. Venkoba Rao, Esq., B.A.,
Secretary to the Government of
H H. the Maharaja of Mysore,
General Department, Bangalore.

Sir,

A

With reference to the correspondence ending with my letter No.519, dated 4th October 1922, regarding certain irregularities on the part of Messrs. Oakley, Bowden & Co., which have come to light in connection with the prospecting license lately held by them for chrome ore over the Bairapur Block in the Chennarayapatna Taluk, I have the honor to forward herewith, for the information and orders of Government, a copy of a letter, dated 29th September 1922, received from the said Company.

2. Messrs. Oakley, Bowden & Co., admit that, though the license was held purely for the supply of chrome ore to the Board of Munitions only, a small quantity of the ore contracted for was supplied to the Munition Contractors and that the rest was sold in foreign markets.

3. But they contend --

(1) that there is no condition in the license which requires the submission of a report to Government of any cessation of their contract for supply of ore to the Munition Board;

(2) that their Munition contract has never been cancelled, that there has not also been any "waiver or discharge" of the same, but that the Contractors have committed a breach of the contract and that in consequence of such breach they were bound in law to sell the ore in

over

open markets with a view to mitigate their claim for damages against them;

(3) that it should not be the concern of Government who the purchasers of the ore are so far as the limit of quantity contracted for, viz,- 28,000 tons, is not exceeded;

(4) that it is only in respect of sales over and above that limit the Government are to be given the first option of refusal,

(5) that the conduct of Government in not raising a word of objection or asserting its rights in any manner hitherto estops them from putting forward the present contention in regard to the irregularities under notice.

4. They also raise the question as to what is the proper construction to be put upon the Government Order defining their rights and say that, if this is first solved, they will answer the rest of the irregularities.

5. Their contentions do not appear to be altogether reasonable or sound, as can be judged from the circumstances enumerated below and it seems to me that they are largely quibbling on the Government Order and the license in order to exonerate themselves from the charges standing against them -

(1) Although there is no express condition in the license requiring the licensees to report the cessation of their contract with the Board of Munitions, yet, as the very first clause of the license distinctly stipulated that "the area should be worked purely for the Board of Munitions" and as work was nevertheless continued even after "the Munition demand had ceased", it was incumbent upon them not only to submit such a report but also to apply for permission or license to continue the extraction of the ore after the Munition demand had ceased. There has been a direct violation of the provisions of the said clause inasmuch as work was continued on the block after the Munition demand had ceased and without proper authority or license from Government;

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(2) Messrs. Oakley, Bowden & Co's statement that their Munition contract has never been "cancelled" seems to be somewhat out of place, inasmuch as no mention is made in any of our communications to them in regard to the contract having been "cancelled." In their letter, dated 4th August 1922, they have admitted in more than one place that the Munition "demand had ceased" and the irregularity pointed out to them was their omission to report to Government that the demand had ceased. I do not think Government are in any way concerned with any disputes or differences between the licensees and the Munition Contractors in respect of the contract between them, nor is it equitable or fair that such disputes or differences should be made a pretext for selling chrome ore to others than the Munition Board in violation of the express conditions of the license

(3) Their argument that it should not be the concern of Government who the purchasers of the ore are, so far as the limit of quantity contracted for (viz,- 28,000 tons) is not exceeded, has also no force, since the license granted was for the specific purpose of supply of raw material only to the Munition Board and Government have every right to see that this purpose is not departed from.

(4) Their contention that it is only in respect of sales over and above the quantity contracted for the Government are to be given the first refusal is also untenable, as, under the terms of the license, the option of first refusal should be given to Government in respect of any quantity of ore not required for supply to the Munition Board. On the cessation of the Munition demand as mentioned in their letter of 4th August 1922, the Government should have been offered the first option of the ore the Company had on hand at that time. The omission to do so amounts to

from

breach of the conditions of the license.

(5) Messrs. Oakley, Bowden & Co., have apparently taken an incorrect view in saying that the conduct of Government in not raising a word of objection or asserting its rights hitherto estops them from putting forward the present contention in regard to the irregularities under notice. As already pointed out to them in para 3 of my letter No.286, dated 22nd August 1922, this Department had until recently no reason to suspect that they were supplying any ore won from the block to others than the Munition Board and there was, therefore, no cause whatever for raising any objection or for the assertion of the rights of Government as has been urged by the Company.

6. On the whole, the explanations offered so far by the Company are, in my opinion, neither reasonable nor convincing. The conditions of the license have been violated as already explained in paras 4 and 5 of my letter No.376, dated 4th September 1922, and the questions now at issue are :-

(1) Whether the licensees were working the block solely for the supply of ore to the Munition Board and in accordance with the conditions of the license

(2) Whether in case the licensees actions are proved to have violated the conditions of the license they should not be held liable to :-

(a) the confiscation by Government of the present stock of ore under the license,

(b) the refund to Government of all the monies received by them in respect of the ore sold to others than the Munition Board less the extraction, transport and other charges incurred therefor.

7. With regard to Messrs. Oakley, Bowden & Co's request for a definition of their rights under the Government Order sanctioning the license to them, it appears to me that the right conferred on them by the said order and the license granted in accordance therewith was to work the block purely for the Board of Munitions for the supply of raw material, that in the course of the work so done if any ore was extracted in

excess

excess of the quantity contracted for, the Government should be given the option of first refusal in respect of such excess ore. When the Munition demand ceased, further extraction of ore should have also ceased. The condition that the block should be worked purely for the Board of Munitions prima facie precluded the sale of ore to others than the Munition Board and the irregularity was only aggravated by certain sales made even during the period of the Munition demand.

8. I submit the matter for favour of early orders of Government after consultation with the Government Advocate.

9. Messrs. Oakley, Bowden & Co., have not yet furnished me with the information called for in regard to the rights and interests under prospecting license No.473, alleged to have been transferred to the Mysore Chromite, Ltd. I have already sent them two reminders, one on the 19th September 1922 and another on the 4th October 1922. I am sending them another reminder now and as soon as the information is received from them, I shall submit a further communication to Government in the matter.

10. In this connection, I beg also to submit for the information of Government copies of a letter, dated 6th September 1922, and its enclosures, received from Mr Mohamed Naziruddeen Khan Saheb, Jaghirdar of Dodkattur, Mysore City, complaining of the infringement by Messrs. Oakley, Bowden & Co., of their agreement with him for carrying on prospecting and mining operations in his jaghir's lands in the Dodkattur village. The enclosures to that letter show that Messrs. Joggar Bros., Ltd. disclaimed that Messrs. Oakley, Bowden & Co., were the Contractors to the Munition Board or that they had any space allotted to them by that Board for shipment of chrome ore.

11. Mr. Naziruddeen Khan requests to be furnished with information as to the irregularities committed by Messrs. Oakley Bowden & Co., in respect of their license over the Bairapur Block and the orders passed by Government in the matter. He says that the information is required for the purpose of his

Case

case against Messrs. Oakley, Bowden & Co., now pending in the Subordinate Judge's Court, Mysore. I solicit the favour of instructions of Government in the matter.

I have the honor to be,

Sir,

Your most obedient servant,

B. Fayaz Ahmed

Director,

Mysore Geological Department.

Letter, dated 29th September 1922, from Messrs. Oakley, Bowden & Company, 15, Armenian Street, Madras, to the Director, Mysore Geological Department, Bangalore.

We have the honour to acknowledge receipt of your letter No.286, dated 22nd August 1922, which has had our careful attention and has been referred to Mr. F. H. Bowden at Murzapur (U.P.) who dealt with the claim against the Munition contractors when in London in 1921, hence the delay.

We gather from your letter under reply that the basis of the very grave charges your Department has laid against us, is that on being granted an area to be worked as per the opening para of your letter, we have only supplied a small quantity of ore to the contractors, introduced by the Ministry of Munitions and have sold the rest in the open market, without notifying such sales to Government. True we did so, but we differ from your Department in thinking that we have thereby committed any irregularity. Your Department has admitted that the order itself fulfilled the conditions pertaining to the license.

We would refer particularly to the summary contained in para 7 and would reply as follows:-

Sub section 1. We are aware of no conditions in the license which lays down that we shall report any cessation of our contract. At the armistice, despatch of supplies was only suspended, and were not entirely stopped even on the declaration of peace in some cases. We may state that our munition contract has never been cancelled, on the contrary we are holding the munition contractors liable for any loss we may sustain on the resale of their contract quantity, and will take necessary action therefor.

Sub section 2. We admit supply of ore during the currency of the contract for other than munition supply for reasons stated in sub-section 1.

Sub section 3. We deny that there has been a discharge or waiver of the contract, but state that there has been a breach of it and the parties guilty of and liable for such breach are the said contractors.

We were always and even now willing and ready to perform our part of the contract with the Ministry of Munitions, but as a breach occurred we were bound in law to sell the quantity in open market with a view to mitigate our claim for damages against the said contractors. (Vide explanation to Sect 73 of the Indian Contract Act) of the Mysore Code.

Under the terms of the Government Order, the Government obviously are not concerned with who the purchasers are till the limit of the quantity contracted for with the Ministry of Munitions is reached, i.e., in other words till we have sold 20,000 tons. The Government have certainly the first option of refusal in respect of all our sales over and above this limit

We submit that this is the only reasonable and proper construction of the Government order defining our rights, and we are supported in our view by our legal advisers.

We may also urge that even assuming without conceding for arguments sake that it is remotely possible for Government to claim rights even before we have sold out the quantity contracted for with the Ministry of Munitions, the conduct of Government ever since the date of the armistice in not raising a word of objection hitherto or asserting its right in any manner whatsoever, clearly estopps them from putting forward the present contention at this late stage to our prejudice.

Primarily the question at issue, is what is the proper construction to be put upon the Government order defining our rights? If this first done, we will, in a later communication answer the rest of your letter.

"Copy"

B. Foote Jones

DIRECTOR,
Mysore Geological Department.

Letter, dated 6th September 1922, from Mr.Mohamed Nasiruddeen Khan Sahib, Jaghirdar of Doddakatur, Lashker Mohalla, Mysore , to the Director, Mysore Geological Department.

With reference to my interview with you lately at Bangalore, I have the honour to enclose herein 2 copies of 2 letters sent to Mr. H. Donne by Messrs. Jeagers Brothers Limited, London, re supply of Chrome Ore to them by Messrs. Oakley Bowden & Co. Madras, and to the effect that Messrs. Oakley Bowden & Co., were never the contractors to the Minister of Munitions and to the Allies, nor was any space allotted to them for the shipment of Chrome Ore from Madras, which statement was made under the authority of the Director of the oversees Transport Department, Queens House Kingsway London, and claimed damages to the extent of £ 1000/- &c.

They not only cheated them by giving false assurances and statements, but cheated me also in several ways, when they through Mr. C.B. Oakley entered into an agreement with me to allow them to work out for a period of 3 months for chrome ore, in my Jagir village of Doddakattur. Mysore Taluk.

They did not act accordingly to the terms of their agreement, conditons, and allegations &c.,but put me into heavy loss in several ways by not paying me and by not stopping the work though the term of the agreement had expired and legal notice was issued to ther

I have therefore filed a suit against them and got their mining work stopped by an Injunction Order in O.S.No.3 of 1918-19, on the file of the Subordinate Judge of Mysore, for my damages and for their ejectment from my Jagir lands, which case is still pending and going on for the last 5 years.

In their defence statement also, they have said that they are the contractors to the Minister of unitions and supplying the ore to the Allies as well, which is a downright lie.

As I am given to understand that they have deceived Government

also

also, in several ways, I request you to kindly favour me with a reply, as to, in what way they have cheated Government told lies, their present position of their mining work, and the steps that Government propose to take against them, so that, it would be great help for my above pending case.

Begging to be excused for the delay in sending you the copies.

Copy.

B. Foote Dann.

Director,

C.R. Mysore Geological Department.

58

31st July 1918.

Messrs. Oakley, Bowden & Co.,
15, Armenian Street,
Madras.

Dear Sirs,

We confirm our last letter of the 13th may. We have not s succeeded in obtaining delivery from the Ministry of Munitions of any of the chrome ore which you sent to England speculatively and which has been dealt with by the Ministry of Munitions. We had applied for delivery of the about 500 tons ~~tons~~ under our old contract with you, but somehow or other our request was not granted. However that may be, you have not acted in any way straight forwardly by us and this the loss so as you could get room from Madras to U.K. whilst we could not get any and in our opinion it was your bounden duty to ship out 500 tons and advise us of it so that we could have opened the necessary credits in accordance with contract.

By not doing so you have committed a breach of contract for which we hold you responsible and we claim from you £ 1000(one thousand pounds) damages and at the same time we consider the old contract made through Mr. Donne to be now cancelled.

We remain,
Dear Sirs,
Yours truly,

Jeager Brothers Limited,
Director.

Copy.

B. Fayal Rao

Director,
Mysore Geological Department.

C.R.

Registered. 59

6th August 1918.

Messrs. Oakley Bowden & Co.,
15, Armenian Street,
Madras.

Dear Sirs,

We confirm our letter of the 31st ultimo, and having ascertained that you have represented to the Shipping Controller in Madras or Calcutta that all the space allotted to Madras for Chrome Ore was meant for you as being the contractors to the Ministry of Munitions you have distinctly gone out of your way to damage our chances of shipping Chrome Ore from Madras during the last 9 months and we give you again notice that we hold you responsible to the loss which you have caused us by this unwarrantable action.

You were neither the contractors to the Ministry of Munitions nor was any space allotted to you for the shipment of Chrome ore from Madras, and we make this statement on the authority of the Director of the Oversees Transport Department, Queens House Kingsway London, and that you were not the contractor of Chrome Ore to the Ministry of Munitions has been proved to us by the Controller of Non-Ferrous Material supply Whitehall Place S.W.1.

This gentleman was very much exercised at your having shipped ore without authority and speculatively to this country. It was done to our detriment and we maintain our claim on you for £ 1000/-.

Yours truly,
Jeager Brothers Limited.
Director.

Copy.

B. Fayn Paul
Director,
Mysore Geological Department.

C.M.

M. G. D. 12.

24111 2589

No. 908 Dated, Bangalore, 4th December 1922.

Encs 1 memo (Confidential).
1 note
& 1 file.

Geol 27-22-4

From

B. JAYA RAM, ESQUIRE, F.G.S.,
Director, Mysore Geological Department.

To

B. Venkoba Rao, Esqr., B.A.,
General Secretary to the Government of
His Highness the Maharaja of Mysore,
Bangalore.

5-DEC 1922
6-DEC 1922
GEN. & REVENUE SECRETARIAT
INDUSTRIES & COMMERCE BRANCH.

Sir,

In continuation of my letter No.606, dated 20th October 1922, regarding Messrs. Oakley, Bowden & Company's transactions in connection with the temporary prospecting license No.473 held by them for chrome ore over the Hullenahalli or Bairapur Block in the Chennarayapatna Taluk, I have the honour to forward herewith, in original, the marginally noted letters, since received from the said Company, together with a brief note giving a summary of the whole case and a Memo containing my opinion and to request the favour of early orders of Government in the matter.

(a) Letter, dated 14th September 1922, to the First Member of Council received with his D.O. dated 7th November 1922.
(b) Two letters, dated 13th November 1922 to the Director, Geological Dept.
(c) Letter, dated 22nd November 1922, to the Director, Mysore Geol.Dept.

2. The file of papers relating to the case is also submitted herewith for reference and kind return along with the original letters from Messrs. Oakley, Bowden and Company, mentioned above.

I have the honour to be,
Sir,
Your most obedient servant,

B. Jaya Ram

Director,
Mysore Geological Department.

NVN/

Confidential.

SUBJECT.

Messrs. Oakley, Bowden & Company's transactions in connection with their late prospecting license over the Hullenahalli Chrome Block in the Chennarayapatna Taluk:-

In continuation of the correspondence ending with my letter No.606/Encls.4, dated 20th October 1922, Messrs. Bowden and Oakleys have since called upon the First Member in Council and have had three long interviews from me in my office where every available information was given to them with a view to discuss the matter in all its aspects thoroughly and to arrive at a correct understanding and decision.

Consequent upon and subsequent to our interviews and discussions, they have again submitted a representation dated 13th November 1922, Madras, accompanied by copies of certain Telegrams and letters which are all herewith forwarded in original for the information of Government and kind return after done with.

Vide Flags A, B, C, D, E, F & M.

Judging from the several discussions and representations made by the parties concerned and the available evidence, I much regret to say that, however much I would like to support and sympathize with the licensees and the mining public, I have not been able to gather sufficient convincing data from the licensees in order that I may give the benefit of the doubt in their favour.

The evidence so far adduced by them is of a conflicting and confounding character and one which claims for its "bonafide" intentions the largest share of merit.

It is apparent that the licensees do not seem to have had any direct contract or dealings with the Board of

Munitions

Munitions or Ministry of Munitions and all their Telegrams and letters go to show that their contract and dealings were entirely with their Agents and Contractors, whose bonafide intentions are not satisfactory and clear even to the licensees concerned.

If Jennings & Company, their Agents and Contractors, who have since been reported to have gone out of this line of business, had really entered into a contract with the licensees for 28000 tons of ore for purposes of supplying the demand of the Board of Munitions, it is reasonably possible that the licensees were acting under fair and bonafide terms and intentions just in the same manner as the Government of His Highness the Maharaja of Mysore and this Department, who were, at the time of granting temporary prospecting license, satisfied with the bonafide proposals of the licensees.

Subsequent happenings and trend of events prove that Jennings and Company have gone out of this line of business and have not fulfilled their terms of contract and in consequence forced the licensees to make other terms with other Agents for the disposal of the ore that they had won and held in reserve for purposes of Munitions supply solely.

The whole transactions of Jennings and Company, with the licensees will have to be gone into in order to obtain convincing confirmatory evidence on these points, viz.-

(1) Whether Jennings & Company had any binding contract with the licensees for 28000 tons of ore to be supplied for the Board of Munitions only;

(2) Or whether the licensees can hold their Agents liable for the purchase of the said quantity of ore and can prove such a claim against them.

The enquiry so far has reached such a stage and the

ssue

issues and interests involved in the case are so grave and great that it seems neither advisable nor possible for this Department to proceed with it any further and that it has, therefore, to place the whole file of papers with the Government and their Advocate for necessary investigation and action.

Before concluding the foregoing preliminary observations, it may be pointed out that even admitting the fact that the licensees worked the block for the purpose of the Board of Munitions supply only and that they will be really suffering a loss over the whole transaction (which they are prepared to prove by producing their profit and loss balance sheet, some of which have been shown me), it seems to me that a clear case has been made out for a breach in the violation of the conditions of the prospecting license for disposal and sale of the ore to other than the Munition supply without previously obtaining the necessary permission of Government for entering into & and effecting such other contracts and sales

The licensees now see and admit in a way that they have erred in this matter, but claim that they have done so with the best of intentions.

That their conduct deserves to be chastised admits of very little doubt but the nature and extent of the penalties that can be equitably and adequately imposed upon can only be arrived at after thoroughly going into the whole case by a legal agency.

B. Fagan Dass

Director,

Mysore Geological Department.

Dated, Bangalore,

27th November 1922.

N O T E.

File No. 30 of 17-18

WD 01176—GPB—125—10-10-22

Subject.

Messrs. Oakley Bowden & Company's transactions in connection with their late prospecting license over the Hullenahalli Chrome Block in the Chennarayapatna Taluk.-

Government, in their Order No.G.11726/Geol.82-17-5, dated 23rd February 1918, sanctioned the grant of a temporary prospecting license for chrome ore to Messrs. Oakley, Bowden & Company, Madras, for a period of one year, over a block of one square mile of land in Hullenahalli and certain other villages in the Chennarayapatna Taluk, subject to the following special conditions:-

(1) that the area should be worked purely for the Board of Munitions for the supply of War Materials;

(2) that any chrome in excess of the quantity contracted for for such supply should be placed, if need be, at the disposal of Government, who should have the first refusal; and

(3) that the licensees shall have no claim under the license to a mining lease.

2. Among the circumstances under which the said license was sanctioned the most important was the representation made by Messrs. Oakley, Bowden & Co., that they required chrome ore for supply to the Board of Munitions. This representation appears to have largely induced the Government to grant the license to the said Company, in preference to, Viz., Mr. B. Rangappa, Agent of Mr. V. Sundermurthy Mudaliar, who was also an applicant at the same time, for the same block and who had been recommended for the license on the ground of his having been the first to submit an application in a complete form.

3. In pursuance of the said Order, a prospecting licens No.473, was issued to Messrs. Oakley, Bowden & Company on the 6 July 1918. They were, however, given permission to commence work on the block on the 20th March 1918, and the period of one year for which the license was granted was, therefore, counted from the 20th March 1918, and it expired on the 20th

WD 01176—GPB—125—10-10-22

March 1919.

4. At the time the said license was issued, Messrs. Oakley, Bowden & Company, were asked to submit for the Director's inspection the original document or letter and other papers, if any, from the Munition Board, which would show the order for supply of chrome ore to that Board, and the quantity of ore for which they had entered into a contract with them, as well as complete information relating to the contract; and they sent in reply certain letters and telegrams from their London Agents, viz., Messrs. Jennings & Company, Ltd., London, (noted in the margin) which purported to show that Messrs. Jennings & Company, informed Messrs. Oakley, Bowden & Company, that they had arranged with the Shipping Controller for the allotment of space for 2000 tons of chrome ore per month. Although, neither the original nor a copy of the document, relating to the contract was submitted by Messrs. Oakley, Bowden & Company, yet, the information that could be gathered from Messrs. Jennings & Company's communications mentioned above and the circumstances of the time were such that the Director felt satisfied that Messrs. Oakley, Bowden and Company had an order for supply of chrome ore to the Munition Board and they were informed accordingly in letter No.2453, dated 25th March 1918.

Letters dated 5th Decr 1917, 12th " 1917, 9th January 1918 and copy of code telegram of 29th January 1918 with translation from Messrs. Jennings & Co. and copy of telegram of 8th February 1918 to Mr. Oakley from Madras. Vide Flags A, B, C & D.

5. Statement 'A' appended hereto shows:-

(1) that 31,151 tons of ore have been extracted from the block up to the date of the termination of the license;

(2) that 16,398 tons have been removed up to date;

(3) that 14,753 tons are now in stock.

6. The license expired on the 26th March 1919, and

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up to that date 10,084 tons of ore had been removed and there was on that date a balance of 21,067 tons. On an application submitted by Messrs. Oakley, Bowden & Co., they were, however, granted permission, to stack the balance of ore on their private land within the block, subject to the condition that it should be removed, if required, after notice not exceeding three months. Since the date of the expiry of the license up to the 30th September 1922, a total quantity of 6,314 tons has been removed from the said stock.

7. Until recently, this Department had understood that all the ore removed was for supply to the Board of Munitions in accordance with the special conditions of the license, but on information received that during a long time past supplies were being made not to that Board but to others, Messrs. Oakley, Bowdan & Co., were addressed in June 1922, with a view to ascertain the real state of things. They were in that connection asked to produce authenticated copies of the Munition Order for supply of chrome and a statement showing the quantity of chrome ore supplied to the Munition Board from time to time, the date and quantity of each supply and the sale value of each consignment. These demands not having been complied with, Messrs. Oakley, Bowden & Co., were informed in this office letter No.94, dated 20th July 1922, that no more ore should be removed by them pending the orders of Government, in regard to the disposal of the ore in stock at the time.

7. The correspondence that has taken place between Messrs. Oakley, Bowden & Co., and this office since then has

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disclosed the following facts:-

(1) that a small quantity of only 2496 tons of ore was supplied to the Munition Board, up to the date of the Armistice in November 1918;

(2) that no ore has been supplied to that Board since the Armistice;

(3) that 2420 tons of ore were sold to others than the Munition Board even before the Armistice;

(4) that 11,482 tons of ore have been sold to others than the Munition Board since the Armistice up to 30th September 1922;

(5) that a total quantity of 13,902 tons of ore has been sold to others as noted above from the commencement of operations up to 30th September 1922;

(6) that the Government have not been given the first refusal, according to the special conditions of the license, in respect of the ore sold to others;

(7) that the extraction of ore was continued even after the Armistice up to the date of the termination of the license, i.e. 19th March 1919.

8. The question now for consideration is, whether in conducting these transactions, Messrs. Oakley, Bowden & Company have acted in conformity with the special conditions of the license in regard to :-

(1) the working of the block purely for the Board of Munitions,

(2) the supply of chrome ore for War purposes only, and

(3) the offer ~~of~~ to Government of the first refusal of the ore obtained in excess of the quantity contracted to be supplied to the Board of Munitions.

9. In the first place, we have no definite information as to the actual quantity of ore contracted for, and

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the terms and conditions of the contract. No more satisfactory evidence or information has been furnished by Messrs. Oakley, Bowden & Company than what can be gathered from the papers submitted in 1918, relating to their correspondence with Messrs. Jennings & Company, Ltd., their Agents in London, through whom the contract is reported to have been effected. These papers only show that Messrs. Jennings & Co., Ld., were endeavouring to get the Munition Contractors to purchase chrome ore offered to be supplied by Messrs. Oakley, Bowden & Co., and that they sent an intimation to the latter Company, that they had arranged for the allotment of space for 2,000 tons of ore per month. There is nothing to show that the negociations were concluded at all, nor have we been furnished with any means of knowing the terms of the contract. It is clear, however, that Messrs. Oakley, Bowden & Company, had no direct agreement with either the Munition Board or their Contractors, that all their contract or agreement was only with Messrs. Jennings & Company, whom they call their London Agents. It is rather difficult to understand why, when Messrs. Jennings & Company were their "Agents" who were negociating on their behalf with the Munition Contractors, there is no contract or agreement upon which Messrs. Oakley, Bowden & Co., could act directly with the Munition Contractors. Messrs. Oakley, Bowden & Company, also admit in their letter, dated 4th August 1922, "the absence of any locus standi" on their part with the Munition Board.

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10. It is mentioned, however, in a letter, dated 22nd June 1918, written in connection with their application for an extension of the period of their license, that "they held contracts to supply Munition Works in England with chrome ore up to 18,000 tons or 24,000 tons, if possible."

11. From the information so far available, it is not possible to make out definitely Messrs. Oakley, Bowden & Company's contracts and obligations for supply of chrome ore to the Munition Board and in the absence of this information, it is difficult, nay impossible, to say that the block was worked purely for the Board of Munitions throughout the term of the license in accordance with the special conditions of the license.

12. The supply of only 2496 tons of ore to the Munition Board against the contract stated to have been held for 18,000 tons or 24,000 tons and the sale of as large a quantity as 13,902 tons to others than the Munition Board are also matters of importance which require the notice of Government. The explanations offered by Messrs. Oakley, Bowden & Company, in respect of these matters are contained in their letters, dated 4th August, 14th and 29th September and 13th November 1922, and are so divergent and conflicting that it seems difficult to decide which of the several statements should be finally accepted.

Vide Flags, G. H. 3 and 5

(a) In the letter, dated 4th August 1922, they explained:-

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(1) that their "Agents have failed to take delivery of the ore excepting for 10 per cent of the order supplied prior to the Armistice and the breach of their contract dates from the Armistice", and

(2) that, because no objection was raised by Government to the continuance of the extraction of ore even after the Armistice "seeing that the demand had ceased" and they were further permitted to stack the balance of ore on the termination of the license on their private land, they understood that the special conditions of the license regarding supplies to Munitions had been waived.

(b) They also said in the same letter, "had the Department indicated a contrary view" at the time of the expiry of our license, we should have then redress against our purchasers which we fear may be barried by time."

(c) But in their subsequent letters, dated 14th September 1922 and 29th September 1922, they say that, at the Armistice despatch of supplies was only suspended and that they were not entirely stopped even on the declaration of peace in some cases, but that, as their Contractors declined to take delivery of ore, they served them with a notice that they would sell the ore for their contract quantity and hold them liable for any loss and that they were bound in law to sell the quantity in open market with a view to mitigate their claim for damages against their Contractors.

(d) Again, in their letter, dated 13th November 1922, they state:-

(1) that, at the Armistice, their buyers asked them to suspend despatches pending settlement of some of the consequent dislocation of business,

(2) that, "they had no thought other than that the suspension of despatches was purely temporary" and that as they had a contractual liability to supply the balance of "28000 tons" of chrome ore when called upon so to do, they had no option but to continue mining till they had the stocks ready,

(3) that, even until 1921, their buyers were from time to time, stating that at even that date they were expecting to arrange with the Munition Contractors to take the undelivered portion, and

(4) that, owing to pressure from their Bankers and with a view to secure some return of their "locked up money" they sent stocks on consignment to Europe and America.

They also added that the phrase "cessation of contract" in their letter of 4th August 1922, was inadvertently put in for "temporary suspension of shipments under the contract."

(e) The statement in the letters of 4th August and 14th and 19th September 1922, that their Agents failed or declined to take delivery of ore after the Armistice, conflicts with that made in the subsequent letter of 13th November 1922, wherein they say that they continued the extraction of ore because their buyers were expecting to arrange with the Munition Contractors to take the undelivered portion and they were under a contractual liability to supply the balance of ore when called upon to do so.

(f) The statement in the letter of 4th August 1922, that they understood that the special conditions of the license had been waived after the Armistice, conflicts with their arguments in the subsequent letters which tend to show that they acted in conformity with those conditions in

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continuing the extraction of ore and selling it to others than the Munition Board even after the Armistice. It may be noted in this connection that until recently this Department had no knowledge whatever that the demand from the Munition Board had ceased or had at least been suspended and that there was, therefore, no reason either to raise any objection to the continuance of the extraction of ore after the Armistice or to refuse permission to Messrs. Oakley, Bowden & Company, to stack the balance of ore at the termination of the license on their private land.

(g) The statement in letter of 4th August 1922, that they considered that they had no redress against their purchasers and that they even apprehended that their claim was barred by time, conflicts with the statement in the letters of 14th and 29th September 1922, that they were holding the Munition Contractors liable for damages. Further, the latest letter of 13th November 1922, does not say anything about their claim for damages; on the other hand, it shows that there was no breach of contract on the part of their buyers on the declaration of the Armistice as alleged in the letter of 4th August 1922.

(h) It is stated in their letter of 13th November 1922, that 7000 to 8000 tons of space had been allotted prior to the Armistice. When such was the case, it is not understood why only a comparatively small quantity of 2496 tons was supplied up to the date of the Armistice, although they had extracted up to 30th September 1918, (i.e. even a month and a half before the Armistice), as large a quantity

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as 6235 tons of ore.

13. Again, 2420 tons of ore have been sold even before the Armistice to others than the Munition Contractors. Of this quantity, only 1000 tons of ore are stated to have been sold to Messrs. Tata Iron Works, who had their own contracts for Munition Supply. No information has been furnished as to whom the balance of 1420 tons was sold. It is also doubtful whether the sale of the 1000 tons to Messrs. Tata Iron Works, can be accepted to come within the contract for which the license was obtained.

14. The gist of the explanations submitted by Messrs. Oakley, Bowden & Co., is that they had a bona-fide contract for supply of 28,000 tons of chrome ore to the Munition Board, that all the ore extracted by them up to the date of the termination of the license was for the bona-fide purpose of fulfilling that contract, that no more than 2496 tons of ore could be supplied to the Munition Board owing to the suspension of despatches since the Armistice, that the extraction of ore after the Armistice was continued in the hope ~~of~~ that on the settlement of the dislocation of business which led to the suspension of despatches, the demand for the undelivered portion of the contracted quantity of ore would be resuscitated, that the sales of ore to others than the Munitions Board were made on account of the pressure from their Bankers and with a view to recoup a portion of their "locked up money", that the suspension of the demand from the Munition Board was not reported to Government, as there was no provision in the license which required such a report and that they were under an obligation to give the

first refusal to Government only in respect of the quantity that had to be disposed of by them in excess of the 28,000 tons contracted for with the Munition Board. To what extent the explanations are fair and reasonable and may be accepted, it is rather difficult to decide, especially in the absence of reliable and satisfactory documents relating to the contract and also in view of the apparently divergent and conflicting statements contained in Messrs. Oakley, Bowden & Company's letters mentioned above.

One other matter which has to be noted in this connection is that, notwithstanding the injunction issued to Messrs. Oakley, Bowden & Company on the 20th July 1922 not to remove any further quantity of ore pending final orders of Government, they have subsequently shipped, after over a month from the date of the injunction, 459 tons of ore alleged to have been removed to the Madras Harbour before the date of the injunction. The plea advanced by them in support of this action is that they did it for fear that they would be liable for dead freight in case they failed to ship the entire quantity of ore booked. They have been informed that the plea is not convincing and that their action must be held to have been at their own risk and liablity.

Company's Letter B 28-8-22

The main points now at issue appear to be:-

(1) Whether the papers submitted by Messrs. Oakley, Bowden & Co., in 1918, can alone be accepted as furnishing sufficiently reliable and satisfactory evidence that they held a contract for supply of chrome ore to the Munition Board;

Or

Whether more substantial and definite evidence is

WD 01176—GPB—125—10-10-22

not needed in order to ascertain the exact nature, extent and duration of the contract, including information as to, -

(a) the minimum and maximum quantity of ore contracted for,

(b) any contracted liability Messrs. Oakley, Bowden & Co., were under in respect of the supply of ore to the Munition Board; and the penalty, if any, attached to such liability,

(c) the liability, if any, the buyers were under in regard to the purchase of the quantity of ore contracted for, and the penalty, if any, therefor;

(2) Why no more than the 2496 tons reported to have been supplied to the Munition Board was required ~~they~~ that Board;

(3) Why only the said quantity was supplied although space is stated to have been allotted for 7000 to 8000 tons up to the date of the Armistice and as large a quantity as 6235 tons of ore had been extracted from the block?

(4) What are the circumstances which led to the sale of 2420 tons of ore to others than the Munition Board even before the Armistice when there was no suspension of demand?

(5) Whether the ex-licensees were not under an obligation to report to Government the cessation or the temporary suspension of despatches of supplies to the Munition Board;

(6) Whether they were not under an obligation to apply for and obtain the permission of Government for continuance of work and the extraction of ore after such cessation or suspension of demand;

(7) Whether the licensees were not under an obligation of obtaining the permission of the Government for the disposal of the said contracted ore to others than the Munition Supply and in not having done so, have they not committed a breach in the condition of the terms of the license ?

(8) Whether the contractual liability, if any, on the part of Messrs. Oakley, Bowden & Co., to supply chrome ore was not diminished by

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such cessation or suspension of demand and if so, to what extent?

(9) Whether in spite of the cessation or temporary suspension of demand and the consequent diminution, if any, of the liability on the part of Messrs. Oakley, Bowden & Company, in respect of the supply of ore, there was any justification for further extraction of ore, especially, when large quantities of ore had been held in stock at the time;

Another fact which may be incidentally brought to the notice of Government in this connection is, the unwarranted removal by Messrs. Oakley, Bowden & Company, of 313 tons of chrome ore out of the stock of 606 tons which had been left behind on the Nachanhalli Block in the Mysore Taluk held under prospecting license No.374 and which became the property of Government on the expiry of the said license over three and a half years ago, i.e. on 4th March 1919. The matter has already been reported to Government in this office letter No.857, dated 25th November 1922.

D 2432 (geol 55-22) Minister to see Dist Munsif's Court at Ramanagaram & Wicket.

Dated, Bangalore,
30th November 1922.

B. Jayaram
Director,
Mysore Geological Department

Statement showing the quantity of chrome ore extracted, removed and exported by Messrs. Oakley, Bowden & Co., under Prospecting License No.473.

Items.	Total quantity of ore extracted.	Total quantity of ore removed from the block.	Total quantity of ore exported by rail.	Remarks
	Tons.	Tons.	Tons.	
Up to the date of the Armistice in November 1918 (up to the quarter ending 31-12-18)	14,244	10,084 +	6,044	+ Out of the 6828 tons of ore removed from the block during the quarter ending the 31st December 1918, a quantity of 4040 tons of ore was left at the Tiptur Railway Station and was exported by rail between January 1919 & September 1920.
Since the Armistice up to the date of the termination of the license.	16,907	Nil.	981	
From the commencement of operations up to the date of the termination of the license.	31,151	10,084	7,025	
Since the termination of the license up to the 30th September 1922.	Nil.	6,314	9,373	
Grand total from the commencement of operations up to 30th Septr.1922.	31,151	16,398	16,398	
Balance of ore in stock on 1st October 1922.	14,753			

B. Fayaram
Director
Mysore Geol. Dept.

Geol 27-22-5.
D 3021 108

26321

3-1-23

From

Messrs. Oakley, Bowden & Co.,
Managing Agents:
Mysore Chromite, Ltd.,
Bangalore.

GEN. & REV. SECRETARIAT
10 JAN 1923
INDUSTRIES & COMMERCE BRANCH.

To

The Secretary to the Government of
His Highness the Maharaja of Mysore,
General Department,
Bangalore.

Two maps attached. Put up to Govt at once MM 3/1/23

Sir,

We have the honour to request that the Government of H.H. the Maharaja of Mysore may be kind enough to countermand the embargo placed by the Geological Department in July 1922, on our removal of the stocks of Chrome Ore won by us from the Bairapur block under Prospecting License No. 473. Voluminous correspondence has taken place since then between the Geological Department and ourselves, and we understand that the case has now been placed before the Government.

In imposing the embargo the Geological Department has apparently been guided by most unreasonable and extreme views in regard to the special conditions of the license, and our explanations submitted in our communications to that Office have been of a somewhat desultory nature owing to different matters having been dealt with in different communications, and we beg leave, therefore, to submit a true and correct perspective of the matter for the equitable consideration of His Highness' Government.

The case made out by the Geological Department against us rests solely on the special conditions in our prospecting license, viz., " that the area should be worked purely for the Board of Munitions for the supply of War Materials", and that any chrome in excess of the quantity contracted for, for such supply, should be placed, if need be,

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at the disposal of Government, who should have the first refusal". The actual order reads as follows:-

Extract from Mysore Government Order, No.G.11726/Genl. 8217.5, dated Bangalore, 23rd February, 1918.

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x x x x x x x

2. Under these circumstances there is only one valid application, and as the applicants, Messrs. Oakley, Bowden & Co. are agreeable to a temporary license for one year only and to waive their claim for a mining lease thereunder, Government are pleased to grant such a license to them as a special case, in consideration of the fact that the area is to be worked purely for the Board of Munitions for the supply of war materials, on condition that any chrome in excess of the quantity contracted for should be placed, if need be, at the disposal of Government, who should have the first refusal.

Before proceeding to a consideration of the intentions and objects of Government in laying out these conditions, and our obligations thereunder, we beg to submit that, as Governmer are aware, we have been dealing in Chrome Ore since 1906, long before the war, and in fact in 1916 we were the only body that had any knowledge in Mysore of an outlet for Mysore Chrome Ore, and all the others who held licenses then were all selling the ore to us.

During the War period we were anxious to take as much advantage as possible of the favourable demands which existed for Chrome Ore, and thereby benefit the Government and ourselves. We therefore endeavoured to secure through our London Agents, Messrs. Jennings & Co., as much accommodation as could be allotted by the Board of Munitions and Shipping Ministries for our ore. On advice received from Messrs. Jennings & Co. in regard to their having succeeded in getting the Munition Contractors to accept a supply of 2,000 tons of ore per mensem for a period of one year, we deputed Mr. C.B. Oakley to make a traverse in certain parts of the State, with a view to

select and apply for suitable chrome blocks from which the required supplies could be obtained, and he did so in the months of January and February 1918, and had also the good fortune of the Company and advice of the Director of the Geological Department, Mr. B. Jaya Ram, to whose kindness and courtesy on the occasion we are greatly indebted. The traverse thus made, in company with Mr. Jaya Ram, resulted in our selection of the Bairapur Block, over which we immediately applied for a Prospecting License. It is gratifying to us to note that Mr. Jaya Ram had also kindly recognised and recorded our promptness in the following words in his records, Vol.XVIII-1919, Part II, page 44, I. Inspection Notes: " On the 30th of January 1918 I started on a short tour in company with Mr. C.B. Oakley of Messrs. Oakley, Bowden & Company, with a view to inspect the Chrome Blocks in the Hassan and Mysore Districts As the time at our disposal was more or less very limited, we had to make very rapid march and quick observations. Owing to Mr. Oakley's excellent camp arrangements and his knowledge of the country traversed, we were able to carry out our programme of work satisfactorily, and the visit proved not only interesting and instructive but useful and pleasant. I am also indebted to Mr. Oakley for his notes on the Chrome Blocks'

Again, Dr. Smeeth, when head of the Geological Department, in recommending Mr. C.B. Oakley for Membership of the Institute of Mining and Metallurgy, along with Dr. Coggin-Brown, Superintendent, Geological Survey of India, and also Mr. J. Thomas, late of the same Department, initialled the following statement:-

Particulars of Career.

(1) 1898 to 1906.	Managing Director, The Indian Cycle and General Engineering Company. (Mysore State)	Dr.Smeeth's initials.
(2) 1906 to 1908	Mines Manager, Shimoga Manganese Company (Mysore State)	do

(3)	1910 to 1911.	Quarrying Contractor to the Magnesite Syndicate, Ltd., Salem.	R.D. Connell's initials.
(4)	1913 to 1915	General Manager, Leibaoak Syndicate Wolfram Deposits, Tavoy, Lower Burma.	Mr. Twite's and Mr. Coggin-Brown's initials.
(5)	1915 to 1917	Indian Reserve of Officers	do
(6)		In March 1917 Mr. C.B. Oakley took over the Mineral Department of Messrs. Oakley, Bowden & Co. This included the Chrome and Manganese Deposits of Mysore Minerals, Ltd. In 1917 he commenced the Munition Supply of Chrome Ore and during his control he was fortunate enough to discover a method by which high grade chrome ore could be exported from the deposits then worked by the Company near Tiptur. This resulted in large shipments for Munition requirements, and a new discovery adjoining the old deposits, which was developed into a large Mine from which 25,000 tons have been put out from June 1918 to February 28th 1919. As a result the Mysore Chromite, Ltd, was formed by Messrs. Oakley, Bowden & Co, with a capital of 5 lacs of rupees and a Directorate which included Sir Allan Arthur and Major S.C. Berridge.	initialled by Dr. Smeeth, R.D.Connell & Mr. Coggin-Brown in 1919.

After the application for the Prospecting License was submitted, we interviewed Mr. A.R. Banerjee, the present Dewan, (then First Member of Council in charge of the Geological Department), and represented to him the most favourable opportunity we had of selling Chrome Ore and of paying very big sums of Royalty to Government; and on the representations so made the grant of the Prospecting License was sanctioned by Government in our favour with the special conditions attached above.

The special conditions were apparently prescribed by the Government of His Highness the Maharaja of Mysore out of their solicitude (1) for Imperial interests, as the mineral was an essential in the production of Munitions of War; and (2) for possible local industries in the State requiring supplies of Chrome Ore. The circumstances which necessitated the imposition of the special conditions were recognised by us to be quite reasonable, and we accepted them.

Under the license granted to us for a period of one year, from 20th March 1918 to 19th March 1919, we raised about 31,151 tons of Chrome Ore from the block, and out of this we had despatched to rail-head up to the end of the period of our license a total quantity of 10,084 tons. On the date of the expiry of the license we had a balance of 21,067 tons of ore, which the Government kindly permitted us to stock in our own private land within the prospecting block, on condition that it should be removed, if required, after notice not exceeding three months. Out of this balance we have removed up to date a total quantity of 6,314 tons, as reported to the Geological Department from time to time.

Only lately, the Geological Department started with an investigation as to whether the special conditions of the license have been, or are being, fulfilled by us. In doing so, they have apparently been acting under a great misconception of the duties and obligations imposed upon us by the said special conditions.

The consideration of the special case, that " the area is to be worked purely for the Board of Munitions for the supply of War Materials", has been duly respected and fully complied with by us inasmuch as all the requirements of the Board of Munitions have been promptly supplied as per demands from the Munition Contractors to our purchasers, Messrs. Jennings & Co., London. With a view to ensure prompt supplies the extraction of ore was vigorously carried on by us, and in fact our agents were not in a position to sell the Munition Contractors more than 2,500 tons ore owing to the fact that the chromite market became exceedingly dull in October 1918 and that more ore was being offered from different markets than could be absorbed by the Munition Board, and as a result we had stocks of unsaleable chrome.

Notwithstanding the dullness of the market since

October 1918 and the inability of our Contractors to dispose of more than 2,500 tons of ore, it had always to be apprehended that demands might spring up at any time for further supplies to the Munition Board, who actually held out such a hope in 1919, and we therefore considered it incumbent on our part to be always ready to make supplies up to a limit of at least the 34, 000 tons for which the Munition Contractors had obtained contracts. The extraction of ore was accordingly continued up to the end of the period of our license with an expenditure of huge sums of money.

The Declaration of the Armistice in November 1918, and the offers of chrome from different markets in the world in far larger quantities than were required for Munition purposes, compelled our agents to ask us to suspend the despatches of supplies, but still we could not consider ourselves absolved from our liability to supply if, and when, required, the undelivered portion of 34,000 tons of ore which we had contracted to supply and they had agreed to absorb. We had, therefore, no alternative but to continue the extraction of ore until the date of the termination of the license, despite the suspension of despatches by our Agents. It can thus be clearly seen that the block was worked by us right through purely for the Board of Munitions.

With regard to the second condition, that any Chrome in excess of the quantity contracted to be supplied to the Munition Board should be placed, <u>if need be</u>, at the disposal of Government, who should have the first refusal, we beg to submit that we have not as yet had any indication communicated to us of such "need" by Government. On the contrary, it had come to our knowledge that the Government had distinctly expressed in a communication to Mr. J. Burr that they had no need for certain quantities of Chrome Ore offered by him from a neighbouring block held by him in the same area, within

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which the Bairapur Block lies.

For a long time after the Armistice and the commencement of the dullness of the Chrome market our Agents were expecting the Munition Contractors to purchase the undelivered portion of the 34,000 tons of ore offered to be supplied by us, and, when the uncertainty of their accepting any further supplies became more and more apparent as time elapsed, we had no alternative but to dispose of the ore extracted at such heavy outlay in the open market at the risk of the Contractor, and we herewith produce our Balance Sheet audited by Messrs. Fraser & Ross, showing that to December 31, 1921, we had lost Rs. 1,29,965-10-8 in so doing. We submit, therefore, that we had in no way disregarded or transgressed from either the first or the second condition of the license in having sold in the open market certain quantities of ore which the Munition Contractors could not purchase or for which the Mysore Government did not indicate a need.

We were extremely surprised at the receipt, so many years after the expiry of our license, of a requisition from the Director of the Geological Department, in his letter, No.2058 dated 21st June 1922, for authenticated copies of the orders from the Munition Board for supply of Chrome Ore and the statements showing the quantities of chrome supplied to the Board from time to time, with dates and sale value of each consignment. We could not quite understand at the time the purpose kept in view by the Geological Department in sending the said requisition but still we furnished the Department with the figures relating to the supply of Chrome Ore to the Munition Board, and explained the circumstances and the conditions under which we were precluded from sending more ore than was actually despatched, although we were quite in a position to do so up to the limit of 24,000 and 10,000 tons, which the Munition Contractors originally contracted to purchase through our London Agents. With regard to the authenticated copies we represented to the Director that it would take some time for us to furnish them as it involved a

reference to our London Agents. We, however, submitted to him personally our files of papers relating to our negotiations with our London Agents, and also furnished him with true copies of certain communications—letters and telegrams—which could show that our London Agents, Messrs. Jennings & Co., had arranged with the Munition Contractors for the purchase of 2,000 tons of ore per mensem for one year, i.e.,24,000 tons. We were asked to produce the Deed of Contract relating to the supply of ore to the Munition Board, which was done. We explained the situation to the Geological Department, but they still seemed dissatisfied. The letters and contract note we have from our London Agents, which have been shown to the Director, and with which he originally expressed himself satisfied, are quite as binding and valid as a legal document, and we had, therefore, no reason to demand from them, or give them, any such document. The sale of large quantities of ore to others than the Munition Board has been wrongly taken by the Director to amount to an infringement by us of the special conditions of the license, and he has lately placed an embargo on further removal of the stock of ore by us, pending the orders of Government regarding the disposal of the same.

He contends (1) that the discontinuance or suspension of the supplies to the Munition Board should have been reported to Government; (2) that the permission of Government should have been obtained for the continuance of the extraction of ore after such discontinuance or suspension was known; (3) that ore not required by the Munition Board should have been placed at the disposal of the Government, and their orders obtained before the same was sold to others. The consideration of the issue of the license only states that the block is to be worked purely for the Board and adds at the same time that any ore in excess of the quantity contracted to be supplied to the Munition Board should be placed, if need be, at the disposal of the Government. That the block was worked purely for the Board of Munitions has

already been clearly explained in paras 9 and 11 supra. Up to the date of the termination of the license and for a long time afterwards we had no definite information that no further supplies than the 2,496 tons despatched up the date of the Armistice would be received by Munition Contractors. On the other hand, we were being given encouraging hopes that the undelivered portion of the 24,000 tons originally offered to be purchased would be taken delivery of. There was therefore nothing whatever which could indicate the necessity for the submission of a report to Government or for obtaining the permission of Government to continue the extraction of ore up to the date of the termination of the license. With regard to the obligations to place the excess of ore at the disposal of the Government we regret no opportunity presented itself in which we could fulfil them. Government have never communicated their "need" for the excess ore, notwithstanding the fact that they knew that up to the end of the year for which the license is granted we had, according to the returns submitted to the Geological Department, extracted 31,551 tons of ore, i.e., 7,151 tons in excess of the original quantity the Munition Contractors had accepted to purchase from us, and 2,849 tons under the second contract advised the Geological Department in June 1918. On the contrary, the Government were pleased to allow us to stock the balance ore, after the expiry of the term of our license, on our own private lands, and to add a condition that it should be removed, if required, after notice not exceeding two months. The fact that, as Government could see, there was an excess quantity of ore with us, complied with the aforesaid condition in respect of the same, and the undelivered portion of the 24,000 tons contracted for by the Munition Contractors clearly indicated that Government had no "need" for our Chrome Ore. We cannot be held answerable for sales made to others in respect of the ore which the Munition Contractors would not buy or for which the Mysore Government had not a "need", as far as our information went.

We have done our best to satisfy all the conditions of the license and we are convinced that we have not in any way transgressed from our obligations thereunder. If anything more than what we have

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done were required or expected of us the provisions of the order granting us the license should have indicated them, or the same could have been demanded from us within a reasonable time by the Geological Department. In the absence of these it would be obviously unfair and unreasonable to penalise us for any communications for which the defective phraseology of the license or the communications addressed to us by the Geological Department is alone responsible.

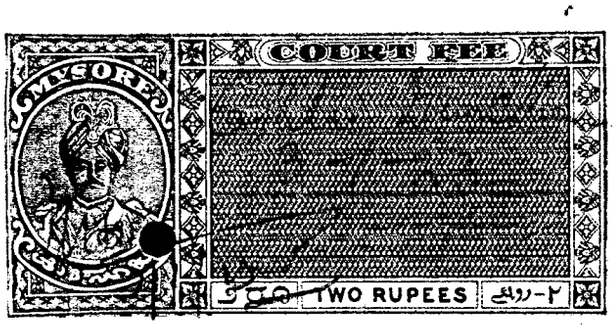
A dispassionate survey of our activities in chrome mining in the State will, we are confident, show how largely instrumental we have been in giving the Mysore Chrome a prominent place in the markets of the world, and that we have therefore a fair claim for an appreciation of our services in the line. Even at present our contributions in royalty monthly exceeds Rs.2000/- from other areas. In spite of these facts, which are common knowledge, we are threatene with grave loss and have to meet serious charges owing to the imperfect or unsatisfactory wording of the license, if it be held that the Geological Office's interpretation is the correct one.

We trust we have explained the whole case satisfactorily, and we shall be grateful to the Government of His Highness for the issue of immediate orders countermanding the embargo on our removal of the stock of chrome ore, which has already caused us a grave loss and serious trouble. We would mention a further complication that will arise, which is that although the original working capital was 2½ lacs this was found inadequate to cope with this Munition demand, and on the personal security of Messrs. Oakley, Bowden & Co., Sir Allan Arthur, and Mr. S.C. Berridge, and on the security of the aforesaid stock, the National Bank lent two lacs of rupees which has not yet been repaid them in full, and until this is done they demand lien on such stocks.

We have the honour to be,
Sir,
Your most obedient servants,

Encl. Balance Sheet.

M. Mysore Chrome Ltd
Oakley Bowden & Co
C S Oakley



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MYSORE CHROMITE

Balance Sheet as at

CAPITAL AND LIABILITIES.

CAPITAL.-		
Authorised.-		
5000 Shares of Rs.100/- each.	500000 0 0	
Issued and Subscribed.-		
2500 Shares of Rs.100/- each.		250000 0 0
L O A N.-		
National Bank of India Ltd.,		164845 8 0
LIABILITIES.-		
For Expenses.-	1105 14 5	
For Other Finance.	102047 14 10	103153 13 5
		Rs.517999 5 3

MANAGING AGENTS.

Madras. 9th November, 1922.-

We report that we have audited the Balance Sheet of MYSORE
information and explanations we have required.

In our opinion such Balance Sheet is drawn up in conformi
according to the best of our information and the explanations given to us and as shewn

R.

MYSORE CHROMITE

Trading Account for the year

To Stock on 1st January 1921.	273442	8	11
" Freight.	170458	5	0
" Railage & Cartage.	1708	10	9
" Shipping Charges.	16461	1	7
	Rs.462070	10	3

Profit and Loss Account for the

To Loss as per Trading Account.				89996	15	3
" Upkeep of Live Stock.				595	6	0
" Arsikere Expenses.				49	2	0
" Assay Fees.				376	8	6
" Royalty.				2026	12	0
" Rent, Rates & Taxes.				2380	3	0
" Mining Coolies.				3324	4	1
" Development.				1841	15	0
" Loading & Unloading.				600	11	9
" Stacking Charges.				246	11	8
" Dodkittur Mines.				194	4	6
" Salaries & Wages.				11559	9	6
" Travelling Expenses.				687	11	6
" General Charges.				409	13	4
" Legal Charges.				581	1	0
" Lighting Expenses.				206	6	0
" Printing & Stationery.				348	4	0
" Bank Charges.				76	2	0
" Postages and Telegrams.				1929	3	7
" Depreciation on.-						
Mining Rights.	6000	0	0			
Buildings.	371	6	0			
Furniture.	72	3	0	6443	9	0
				Rs.126[illegible]		

R.

L I M I T E D.

31st December, 1921.

PROPERTY AND ASSETS.

FIXED CAPITAL EXPENDITURE.-			
Mining Rights, at cost.		162000 0 0	
Less Depreciation todate.		17498 0 0	144502 0 0
Land and Buildings, as per last Balance Sheet.		2700 0 0	
Less Sale of Tiles.	328 10 0		
Depreciation to date.	371 6 0	700 0 0	2000 0 0
Furniture, as per last Balance Sheet.		567 11 0	
Add Additions during the year.		4 8 0	
		572 3 0	
Less Depreciation to date.		72 3 0	500 0 0
			147002 0 0
LOOSE TOOLS.			2186 1 0
LIVE STOCK.			396 0 0
STOCK.-			
In Harbour and at Mines at Mining Engineer's Valuation.		138188 10 0	
In Europe.		43419 10 9	181608 4 9
BOOK DEBTS. Considered good.			14860 13 9
LOAN.-			
Mysore Minerals Ltd.,			17069 14 3
ADVANCES.			1126 5 0
INTEREST SUSPENSE ACCOUNT.			21829 4 9
CASH AND OTHER BALANCES.-			
National Bank of India Ltd., Current Account.		1713 0 1	
Bank of Mysore Ltd., Current Account.		241 15 0	1954 15 1
PROFIT AND LOSS ACCOUNT.-			
As per last Balance Sheet.		19808 9 0	
Less Interest on Overdraft on account of Stocks previously written off now carried forward.		12522 6 11	
		7286 2 1	
Loss since last Balance Sheet.		122679 8 7	129965 10 8
			Rs.517999 5 3

DIRECTORS.

CHROMITE LIMITED, as at 31st December 1921, and above set forth and have obtained all the

ty with the Law and exhibits a true and correct view of the state of the Company's affairs
y the books of the Company.

AUDITORS.

CHARTERED ACCOUNTANTS.

L I M I T E D.

ending 31st December, 1 9 2 1.

By Sales of Ore.-			
S.S. Kennedy II.	109322	9	0
S.S. Robertson.	73649	15	0
Sundry Sales.	781	1	0
" Surplus from previous Shipments.	6711	13	3
" Stock on 31st December 1921, at Mining Engineer's Valuation.	181608	4	9
" Loss transferred to Profit and Loss Account.	89996	15	3
Rs.	462070	10	3

year ending 31st December, 1921.

By Interest.	1195	0	5
" Loss for the year.	122679	8	7
Rs.	123874	9	0

Geol 27-22-5
122

1738
2

FICE OF THE PRIVATE SECRETARY

TO H HIGHNESS THE MAHARAJA OF MYSORE,

Bangalore 11th January 1923.

D 38240

23345

INDUSTRIES & COMMERCE. BRANCH.
13 JAN 1923
GEN. & REV. SECRETARIAT

JAC
13 JAN 1923

3021
1589
1041
1183

Petition, as shown below, to His Highness the Maharaja is transferred to the Secretary to the Government of His Highness the Maharaja of Mysore, ...General.... Department, Bangalore, for disposal

By Order,

for Private Secretary
to H. H. the Maharaja of Mysore.

M/13/1 No. 471 of 922-23.

W D, 2/4—GBPM—1,000—13-9-22

OFFICE OF THE PRIVATE SECRETARY
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TO H. H. THE MAHARAJA OF MYSORE

From

Messrs. Oakley, Bowden & Co.,
Managing Agents,
Mysore Chromite, Ltd.,
Bangalore.

To

The Secretary to the Government of
His Highness the Maharaja of Mysore,
General Department,
Bangalore.

Sir,

We have the honour to request that the Government of H.H. the Maharaja of Mysore may be kind enough to countermand the embargo placed by the Geological Department in July 1922, on our removeal of the stocks of Chrome Ore won by us from the Bairapur Block under Prospecting License No.473. Voluminous correspondence has taken place since then between the Geological Department and ourselves, and we understand that the case has now been placed before the Government.

In imposing the embargo the Geological Department has apparently been guided by most unreasonable and extreme views in regard to the special conditions of the license, and our explanations submitted in our communications to that Office have been of a somewhat desultory nature owing to different matters having been dealt with in different communications; and we beg leave, therefore, to submit a true and correct perspective of the matter for the equitable consideration of His Highness' Government.

The case made out by the Geological Department against us rests solely on the special conditions in our prospecting license, Viz., "that the area should be worked purely for the Board of Munitions for the supply of War Materials", and that any Chrome in excess of the quantity contracted for, for such supply, should be placed, if need be,

be, at the disposal of Government, who should have the first refusal". The actual order reads as follows:-

Extract from Mysore Government Order No.G.11726/Genl. 8217.5, dated Bangalore, 23rd February 1918.

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x x x x x

2 Under these circumstances there is only one valid application, and as the applicants, Messrs. Oakley, Bowden & Co., are agreeable to a temporary license for one year only and to waive their claim for a mining lease thereunder, Government are pleased to grant such a license to them as a special case, in consideration of the fact that the area is to be worked purely for the Board of Munitions for the supply of war materials, on condition that any chrome in excess of the quantity contracted for should be placed, if need be, at the disposal of Government, who should have the first refusal.

Before proceeding to a consideration of the intentions and objects of Government in laying out these conditions and our obligations thereunder, we beg to submit that, as Government are aware, we have been dealing in Chrome Ore since 1906, long before the War, and, in fact, in 1916 we were the only body that had any knowledge in Mysore of an outlet for Mysore Chrome Ore, and all the others who held licenses then were all selling the ore to us.

During the War period we were anxious to take as much advantage as possible of the favourable demands which existed for Chrome Ore, and thereby benefit the Government and ourselves. We therefore endeavoured to secure through our London Agents, Messrs. Jennings & Co., as much accomodation as could be allotted by the Board of Munitions or Ministry of Munitions and Shipping Ministries for our ore. On advice received from Messrs. Jennings & Co., in regard to their having succeeded in getting the Munition Contractors to accept a supply of 2,000 tons of ore per month for a period of one year, we deputed Mr. C.B. Oakley to make a traverse in certain parts

parts of the State with a view to select and apply for suitable Chrome Blocks from which the required supplies could be obtained and he did so in the months of January and February 1918, and had also the good fortune of the company and advice of the Director of the Geological Department, Mr. B. Jaya Ram, to whose kindness and courtesy on the occasion we are greatly indebted. The traverse thus made, in company with Mr. Jaya Ram, resulted in our selection of the Bairapur Block, over which we immediately applied for a Prospecting License. It is gratifying to us to note that Mr. Jaya Ram had also kindly recognised and recorded our promptness in the following words in his records Vol.XVIII-1919, Part II, Page 44, I, Inspection Notes: "On the 30th of January 1918 I started on a short tour in company with Mr. C.B. Oakley of Messrs. Oakley, Bowden & Company, with a view to inspect the Chrome Blocks in the Hassan and Mysore Districts. As the time at our disposal was more or less very limited, we had to make very rapid marches and quick observations. Owing to Mr. Oakley's excellent camp arrangements and his knowledge of the country traversed, we were able to carry out our programme of work satisfactorily and the visit proved not only interesting and instructive but useful and pleasant. I am also indebted to Mr. Oakley for his notes on the Chrome Blocks".

Again, Dr. Smeeth, when Head of the Geological Department, in recommending Mr. C.B. Oakley for Membership of the Institute of Mining and Metallurgy, along with Dr. Coggin-Brown, Superintendent, Geological Survey of India, and also Mr. J. Thomas, late of the same Department, initialled the following statement:—

"Particulars of Career.

(1).	1898 to 1906.	Managing Director, The Indian Cycle and General Engineering Company. (Mysore State).	Dr. Smeeth's initials.
(2).	1906 to 1908.	Mines Manager, Shimoga Manganese Company. (Mysore State)	-do-

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(3). 1910 to 1911. Quarrying Contractor to the Magnesite Syndicate, Ltd., Salem. R.D.Connell's initials.

(4). 1913 to 1915. General Manager, Leibaoak Syndicate Wolfram Deposits, Tavoy, Lower Burma. Mr. Twite and Mr. Coggin-Brown initials.

(5). 1915 to 1917. Indian Reserve of Officers. -do-

(6). In March 1917 Mr. C.B.Oakley took over the Mineral Department of Messrs. Oakley, Bowden & Co.. This included the Chrome and Manganese Deposits of Mysore Minerals, Ltd. In 1917 he commenced the Munition Supply of Chrome Ore, and during his control he was fortunate enough to discover a method by which high grade chrome ore could be exported from the deposits then worked by the Company near Tiptur. This resulted in large shipments for Munition requirements, and a new discovery adjoining the old deposits, which was developed into a large Mine from which 25,000 tons have been put out from June 1918 to February 28th 1919. As a result the Mysore Chromite, Ltd., was formed by Messrs. Oakley, Bowden & Co., with a capital of 5 lacs of rupees and a Directorate which included Sir Allan Arthur and Major S.C.Berridge.

Initialled by Dr. Smeeth, R.D.Connell & Mr. Coggin-Brown in 1919.

After [redacted] the application for the Prospecting License was submitted, we interviewed Mr. A.R. Banerji, the present Dewan, (then First Member of Council in charge of the Geological Department), and represented to him the most favourable opportunity we had of selling Chrome Ore and of paying very big sums of Royalty to Government; and on the representations so made the grant of the Prospecting License was sanctioned by Government in our favour with the special conditions attached above.

The special conditions were apparently prescribed by the Government of His Highness the Maharaja of Mysore out of their solicitude (1) for Imperial interests, as the mineral was an essential in the production of Munitions of War; and (2) for possible Local industries in the State requiring supplies of Chrome Ore. The circumstances which necessitated the imposition of the special conditions were recognised by us to be quite reasonable, and we accepted them.

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Under the license granted to us for a period of one year from 20th March 1918 to 19th March 1919, we raised about 31,151 tons of Chrome ore from the block and out of this we had despatched to rail-head up to the end of the period of our licens a total quantity of 10,084 tons. On the date of the expiry of the license we had a balance of 21,067 tons of ore, which the Government kindly permitted us to stock in our own private land within the prospecting block on condition that it should be removed, if required, after notice not exceeding three months. Out of this balance we have removed up to date a total quantity of 6,314 tons, as reported to the Geological Department from time to time.

Only lately, the Geological Department started with an investigation as to whether the special conditions of the license have been, or are being, fulfilled by us. In doing so, they have apparently been acting under a great misconceptio of the duties and obligations imposed upon us by the said special conditions.

The consideration of the special case, that " the area is to be worked purely for the Board of Munitions for the supply of War Materials" has been duly respected and fully complied with by us, inasmuch as all the requirements of the Board of Munitions have been promptly supplied as per demands from the Munitions Contractors to our purchasers, Messrs. Jennings & Co., London. With a view to ensure prompt supplies the extraction of ore was vigorously carried on by us, and in fact our agents were not in a position to sell to the Munition Contractors more than 2,500 tons ore owing to the fact that the chromite market became exceedingly dull in October 1918, and that more ore was being offered from different markets than could be absorbed by the Munition Board, and as a result we had stocks of unsaleable chrome.

Notwithstanding the dullness of the market since October 1918 and the inability of our Contractors to dispose of more than 2,500 tons of ore, it had always to be apprehended that

that demands might spring up at any time for further supplies to Munition Board, who actually held out such a hope in 1919, and we therefore considered it incumbent on our part to be always ready to make supplies up to the limit of at least the 34,000 tons for which the Munition Contractors had obtained contracts. The extraction of ore was accordingly continued up to end of the period of our license with an expenditure of huge sums of money.

The declaration of the Armistice in November 1918, and the offers of chrome from different markets in the World in far larger quantities than were required for Munition purposes, compelled our Agents to ask us to suspend the despatches of supplies, but still we could not consider ourselves absolved from our liability to supply if, and when, required, the undelivered portion of 34,000 tons of ore which we had contracted to supply and they had agreed to absorb. We had therefore no alternative but to continue the extraction of ore until the date of the termination of the license, despite the suspension of despatched advised by our Agents. It can thus be clearly seen that the block was worked by us right through purely for the Board of Munitions.

With regard to the second condition, that any chrome in excess of the quantity contracted to be supplied to the Munition Board should be placed, if need be, at the disposal of Government, who should have the first refusal, we beg to submit that we have not as yet had any indication communicated to us of such "need" by Government. On the contrary, it had come to our knowledge that the Government had distinctly expressed in a communication to Mr. J. Burr that they had no need for certain quantities of Chrome Ore offered by him from a neighbouring block held by him in the same area, within which the Bairapur Block lies.

For a long time after the Armistice and the commencement of the dullness of the Chrome Market our Agents were expecting the Munition Contractors to purchase the undelivered portion of the 34,000 tons of ore offered to be supplied by us, and, when

when the uncertainty of their accepting any further supplies became more and more apparent as time elapsed, we had no alternative but to dispose of the ore extracted at such heavy outlay in the open market, at the risk of the Contractor, and we herewith produce our Balance Sheet, audited by Messrs. Fraser & Ross, showing that to December 1921, 31st, we had lost Rs.1,29,965-10-8 in so doing. We submit, therefore, that we had in no way disregarded or transgressed from either the first or the second condition of the license, in having sold in the open market certain quantities of ore which the Munition Contractors could not purchase or for which the Mysore Government did not indicate a need.

We were extremely surprised at the receipt, so many years after the expiry of our license, of a requisition from the Director of the Geological Department, in his Letter, No.2058, dated 21st June 1922, for authenticated copies of the orders from the Munition Board for supply of Chrome Ore and the statements showing the quantities of chrome supplied to the Board from time to time with dates and sale value of each consignment. We could not quite understand at the time the purpose kept in view by the Geological Department in sending the said requisition, but still we furnished the Department with the figures relating to the supply of chrome ore to the Munition Board and explained the circumstances and the conditions under which we were precluded from sending more ore than was actually despatched, although we were quite in a position to do so up to the limit of 24,000 and 10,000 tons which the Munition Contractors originally contracted to purchase through our London Agents. With regard to the authenticated copies we represented to the Director that it would take some time for us to furnish them as it involved a reference to our London Agents. We, however, submitted to him personally our files of papers relating to our negotiations with our London Agents, and also furnished him with true copies of certain communications-letters and telegrams- which could show that our London Agents, Messrs. Jenning & Co., had arranged

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arranged with the Munition Contractors for the purchase of 2000 tons of ore per month for one year, i.e., 24000 tons. We were asked to produce the Deed of Contract relating to the supply of ore to the Munition Board, which was done. We explained the situation to the Geological Department, but they still seemed dissatisfied. The letters and contract notes we have from our London Agents, which have been shown to the Director, and with which he originally expressed himself satisfied, are quite as binding and valid as a legal document, and we had therefore no reason to demand from them or give them any such document. The sale of large quantities of ore to others than the Munition Board has been wrongly taken by the Director to amount to an infringement by us of the special conditions of the license, and he has lately placed an embargo on further removal of the stock of ore by us pending the orders of Government regarding the disposal of the same.

He contends (1) that the discontinuance of suspension of the supplies to the Munition Baord should have been reported to Government; (2) that the permission of Government should have been obtained for the continuance of the extraction of ore after such discontinuance or suspension was known; (3) that ore not required by the Munition Board should have been placed at the disposal of the Government and their orders obtained before the same was sold to others. The consideration of the issue of the license only states that the block is to be worked purely for the Board and adds at the same time that any ore in excess of the quantity contracted to be supplied to the Munition Board should be placed, if need be, at the disposal of the Government. That the block was worked purely for the Board of Munitions has already been clearly explained in paras. 9 and 11 supra. Up to the date of the determination of the license and for a long time afterwards we had no definite information that no further supplies than the 2496 tons despatched up to the date of the Armistice would be received by the Munition Contractors. On the other hand we were being given encouraging hopes that the undelivered portion

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portion of the 24,000 tons originally offered to be purchased would be taken delivery of. There was therefore nothing whatever which could indicate the necessity for the submission of a report to Government or for obtaining the permission of Government to continue the extraction of ore up to the date of the termination of the license. With regard to the obligations to place the excess ore at the disposal of the Government, we regret no opportunity presented itself in which we could fulfil them. Government have never communicated their "need" for the excess ore, notwithstanding the fact that they knew that up to the end of the year for which the license is granted we had, according to the returns submitted to the Geological Department, extracted 31,551 tons of ore, i.e., 7,151 tons in excess of the original quantity the Munition Contractors had accepted to purchase from us, and 2,849 tons under the second contract advised the Geological Department in ~~January~~ June 1918. On the contrary, the Government were pleased to allow us to stock the balance ore, after the expiry of the term of our license, on our own private lands, and to add a condition that it should be removed, if required, after notice not exceeding two months. The fact that, as Government could see, there was an excess quantity of ore with us, complied with the aforesaid condition in respect of the same, and the undelivered portion of the 24,000 tons contracted for by the Munition Contractors clearly indicated that Government had no "need" for our chrome ore. We cannot be held answerable for sales made to others in respect of the ore which the Munition Contractors would not buy or for which the Mysore Government had not a "need", as far as our information went.

We have done our best to satisfy all the conditions of the license and we are convinced that we have not in any way transgressed from our obligations thereunder. If anything more than what we have done were required or expected of us, the provisions of the order granting us the license should have indicated them, or the same could have been demanded from us

us within a reasonable time by the Geological Department. In the absence of these it would be obviously unfair and unreasonable to penalise us for any communications for which the defective phraseology of the license or the communications addressed to us by the Geological Department is alone responsible.

A dispassionate survey of our activities in chrome mining in the State will, we are confident, show how largely instrumental we have been in giving the Mysore Chrome a prominent place in the markets of the World, and that we have therefore a fair claim for an appreciation of our services in the line. Even at present our contributions in royalty monthly exceed Rs.2,000/- from other areas. In spite of these facts, which are common knowledge, we are threatened with grave loss and have to meet serious charges owing to the imperfect or unsatisfactory wording of the license, if it be held that the Geological Office's interpretation is the correct one.

We trust we have explained the whole case satisfactorily, and we shall be grateful to the Government of His Highness for the issue of immediate orders countermanding the embargo on our removal of the stock of chrome ore, which has already caused us a grave loss and serious trouble. We would mention [redacted] a further complication that will arise, which is that, although the original working capital was 2½ lakhs, this was found inadequate to cope with this Munition demand, and on the personal security of Messrs. Oakley, Bowden & Co., Sir Allan Arthur and Mr. S.V.Berridge, and on the security of the aforesaid stock, the National Bank lent 2 lakhs of rupees, which has not yet been repaid them in full, and until this is done they demand lien on such stocks.

We have the honour to be,
Sir,
Your most obedient servants,

30/12/22
Copy

Mysore Chrome Ltd
pp Oakley Duncan & Co Ltd
C S Oakley

£ 3240

Oakley, Bowden & Co.'s Minerals Department

Surface view of Bairapur Camp showing the Cutting 200 x 50 feet and stacks of Ore.

OAKLEY BOWDEN & Co's Mineral Department includes the Managing Agency of the Mysore Chromite Limited and Mysore Minerals Limited and Leibaoak Syndicate Limited.

During the latter stages of the War, the efforts of the Firm were concentrated upon the winning and supply of Chrome Ore for the Allied Munition Departments, and in the short time at their disposal they were able to deliver several thousand tons of that much-needed Mineral. They are also interested in other Minerals, such as Manganese, Peroxide of Manganese, Plumbago, Wolfram, Mica, Corundum and Magnesite, and will be glad to correspond regarding the same.

For the supply of Chrome Iron Ore, the Firm are in a peculiar position of advantage, being the Managing Agents of the Mysore Chromite Ltd. and others, the Proprietors of several Chrome Mines, carrying large stocks of Ore ready for shipment at prices which, owing to the accessibility and richness of the deposits, should compete favourably with the rates from sources of supply elsewhere.

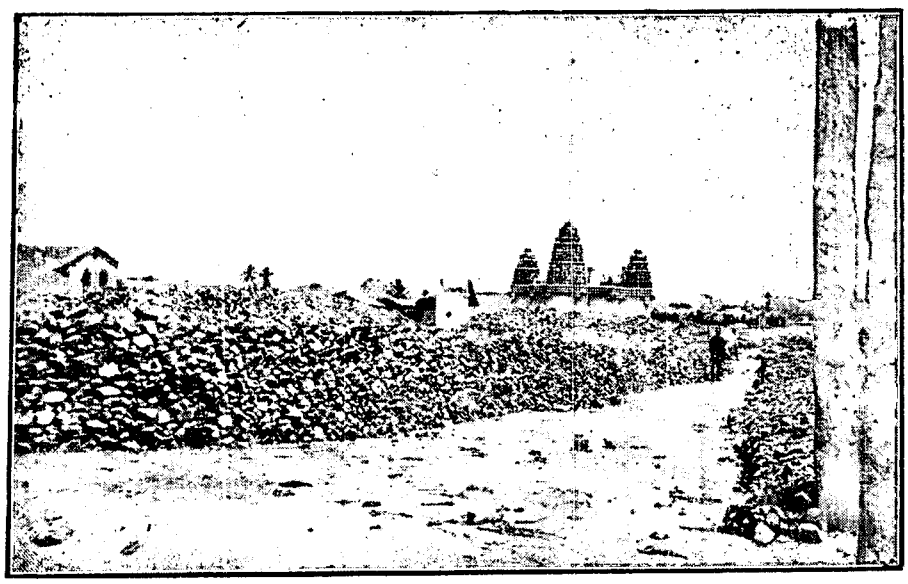
Grades of Shipments made

Appended hereto are Statements of Shipments made with their Indian and European Analyses. The similarity of these is most marked, when the varying conditions of sampling are considered, and, we submit, indicates that past shipments have justified the confidence of our buyers.

CLASSIFICATION OF ORE

Mine No. I: Navale

49 to 52%



Chrome Ore at Tiptur Depot.

This Ore, usually shipped in large pieces, is hard, and therefore transported without much wastage or breakages. A Bluish Ore speckled with Magnesite spots. Separate shipments of this Ore have been made, and the results as to grades were as follows:—

INDIAN ASSAY	"CLAN BUCHANAN"		"CLAN MACQUARRIE"	
C. S. Fawcitt,	Cr_2O_3	49·80	Cr_2O_3	50·5
Indian Institute of Science.	.....		...	51
EUROPEAN ASSAY				
Wallace and Clarke,	...	51·75	...	50·2
II Sample.	...	50·40	...	...

A complete assay gave 24% Iron, 11% Aluminia, 4% Silica, 10% Magnesia.

Considerable reserve stocks of this Ore are held for immediate shipment in Madras. Annual contracts of 6,000 to 10,000 tons will be entertained.

Mine No. II: Sinduvalli

49 to 50½%

This Reef Ore is hard and of a bright steely blue tint. Shipments from 1907 have averaged Cr_2O_3 50·39%. The average of 6 complete analyses by Wallace and Clarke gives:—

Cr_2O_3	FE_2O_3	A_2LO_2	MNO	S_1O_2	MgO	Phos.
50·63	18·51	13·29	1·44	1·56	14·65	·05

A shipment in December 1917 per S.S. "Clan Buchanan" gave:—

INDIAN ASSAY by C. S. Fawcitt ...	... 48·80%	Cr_2O_3
EUROPEAN ASSAY by Wallace and Clarke, London	... 49·50%	

The extraction of this Ore, involving as it does comparatively deep Mining, is limited under present conditions to 3,000 tons annually. Six months reserve stocks are in hand. Annual contracts for 3,000 tons at the rate of 250 tons per mensem will be entertained.

Mines Nos. III, IV & V

Bhaktrahalli Hill, No. 1, Wodderpalaya, Dodkattur

45 to 48%

From these mines there is obtained a mixture of Reef and Pebbles, samples of which have given $Cr_2 O_3$ 47·13, 47·60, 47·34, and 46·58, 47·2, and 48·7. Two complete analyses give the following results:—

CHROME	IRON	ALUMINIA	MAGNESIA	SILICA
47·20	21·8	13·41	11·35	4·02
48·05	19·74	12·70	14·90	3·80

A limited quantity of this Ore which is guaranteed to be not less than 45% is available for sale, and contracts of 6,000 tons annually or 500 tons per mensem will be entertained.

Mine No. VI: Bairapur

The Coolies leaving work at Bairapur Mine. 750 men, women and children were employed on these Works.

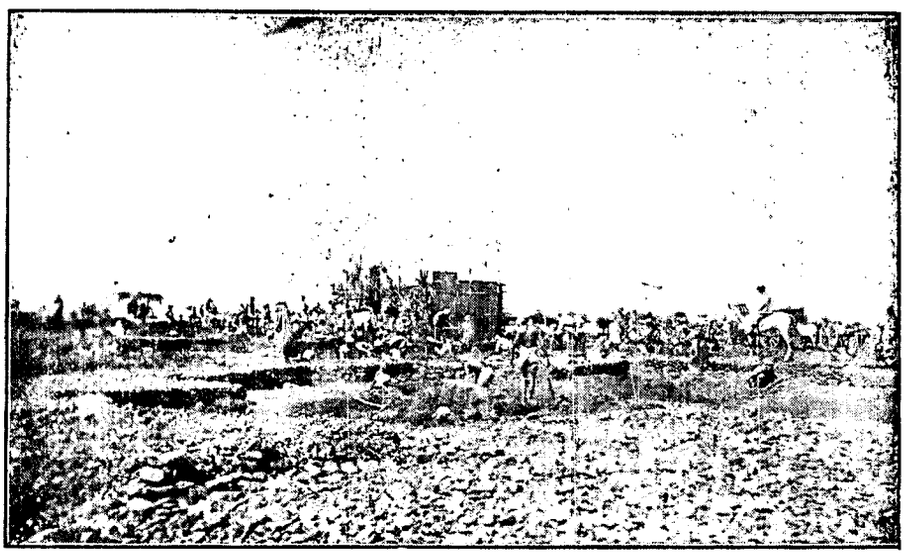
The Ore from this deposit consists of three types:—The first we will describe as Soft Rocky Ore, running up to 53% $Cr_2 O_3$ if shipped without powder.

The results of two separate shipments of over 1,000 tons of unselected unsorted ore in 1918 were as follows :—

STEAMER'S NAME	INDIAN ANALYST	LONDON ANALYST
Clan Marwarri	Indian Institute of Science 53·33	Wallace and Clarke 50·30
City of Naples	Indian Institute of Science 51·50	Wallace and Clarke 51·10

Below (marked A) is given a complete analysis of 10,000 tons moved to rail-head mixed with Powder and Chrome Pebbles. (This was a very severe sample.) "B" is a similar analysis of the Indian sample of the "Clan Marwarri" which was taken without powder, and is believed to have been pure soft rock.

	CHROME	IRON (Ox.)	SILICA	ALUMINIA	CALCIUM (Ox.)	MAGNESIA
A	49·61	26·24	3·87	6·29	2·53	11·77
B	53·33	25·67	3·79	4·78	1·74	11·12



A Rich find of Chrome Pebbles at Bairapur.

The second type consists of small and large Pebbles which have by weathering become hard and smooth. Four representative samples drawn from quantities of pebbles varying from 200 to 2,000 tons and representing nearly 6,000 tons gave respectively 51·80, 52·30, 51·29 and 51·66 % of Chromium Sesquioxide. If specially ordered, these pebbles can be supplied separately.

The third type is a fine Chrome Powder prepared by crushing and washing. At present the grade of this Powder varies from 50 to 53% and should be specially suitable for chemical purposes. Unless exported in considerable quantity, packing in bags or casks will be necessary, and in addition to the increased cost of concentration, the cost of this packing has to be calculated. Supplied to order only.

Mine No. VII: Arsikere

35 to 40%

This Ore is Reef and Boulders and is supplied to the United Kingdom for the purpose of Furnace Lining; for this purpose Ore as low as 35% is used.

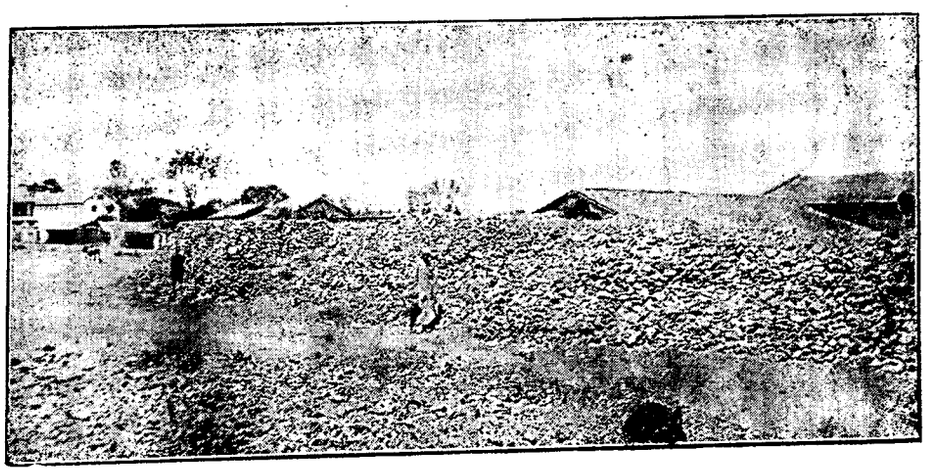
The Ore has been carefully sampled and analysed and taken over a quantity of 7,500 tons; the following assays:—Cr_2O_3 39·80, 44·14, 38·07, 41·60, 38·70, 40·24, 40·77, 40·17, 41·65% indicate that 35 to 40% Ore is easily obtainable, the average of these assays being 40·57%.

A complete analysis of a sample drawn from 4,000 tons of this Ore gives:—

CHROME	IRON OXIDE	SILICA	ALUMINIA	CALCIUM OXIDE	MAGNESIA
40·17	18·94	8·46	14·10	2·15	15·72

Stocks are held in reserve ready for immediate delivery.

SHIPMENTS

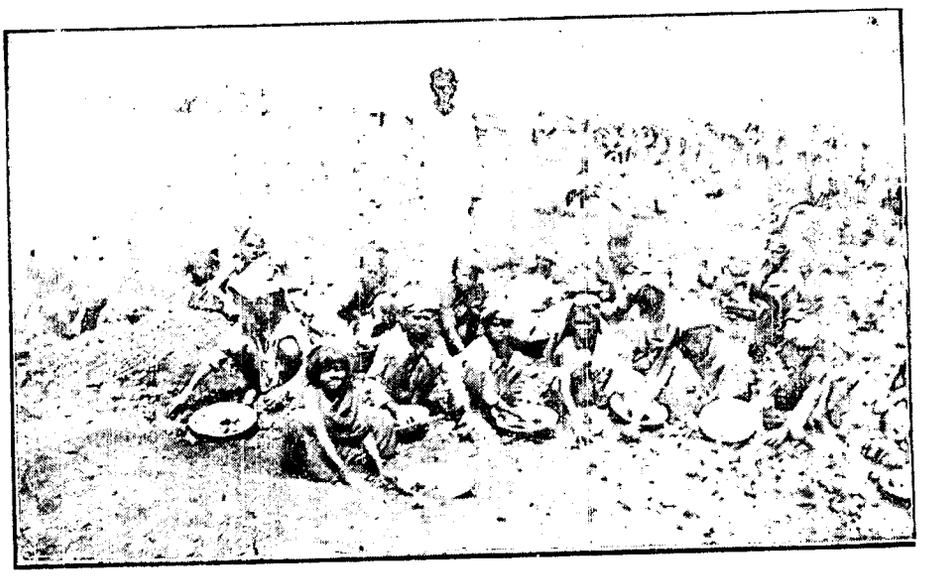


Reserve Stacks.

We would prefer to deal with full charters for 5/6000 tons from Madras or Marmagoa, but for the convenience of those who do not require such large quantities, we can frequently arrange for small parcels of 500 to 1,000 tons.

India's Supply of Chrome Ore

(Re-printed from the "Madras Times", 25th May 1919).



Children collecting surface Chrome Pebbles.

References have been made from time to time to the important part that India and Indian Merchants have played in the supply of Raw Material and Crude Ores for Munitions of War. The enhanced prices offered for crude ores have greatly expanded and developed sources of supply which would never have been utilised otherwise. India has recently quietly come into prominence as the supplier of that valuable Mineral "Chrome" as essential in the manufacture of Ferro-Chrome which has played such a prominent part in the armaments and munitions of the recent World War.

Chrome Ore and Germany

At the outbreak it was found that the Germans in the well-known firm of Messrs. Schroder Schmidt & Co. had 20,000 tons lying ready for shipment in Calcutta, which was promptly made available for the use of the Allies although probably intended for Krupps, Essen, whose early use of Ferro-Chrome for Armour Plates attracted great notice.

The Baluchistan Output

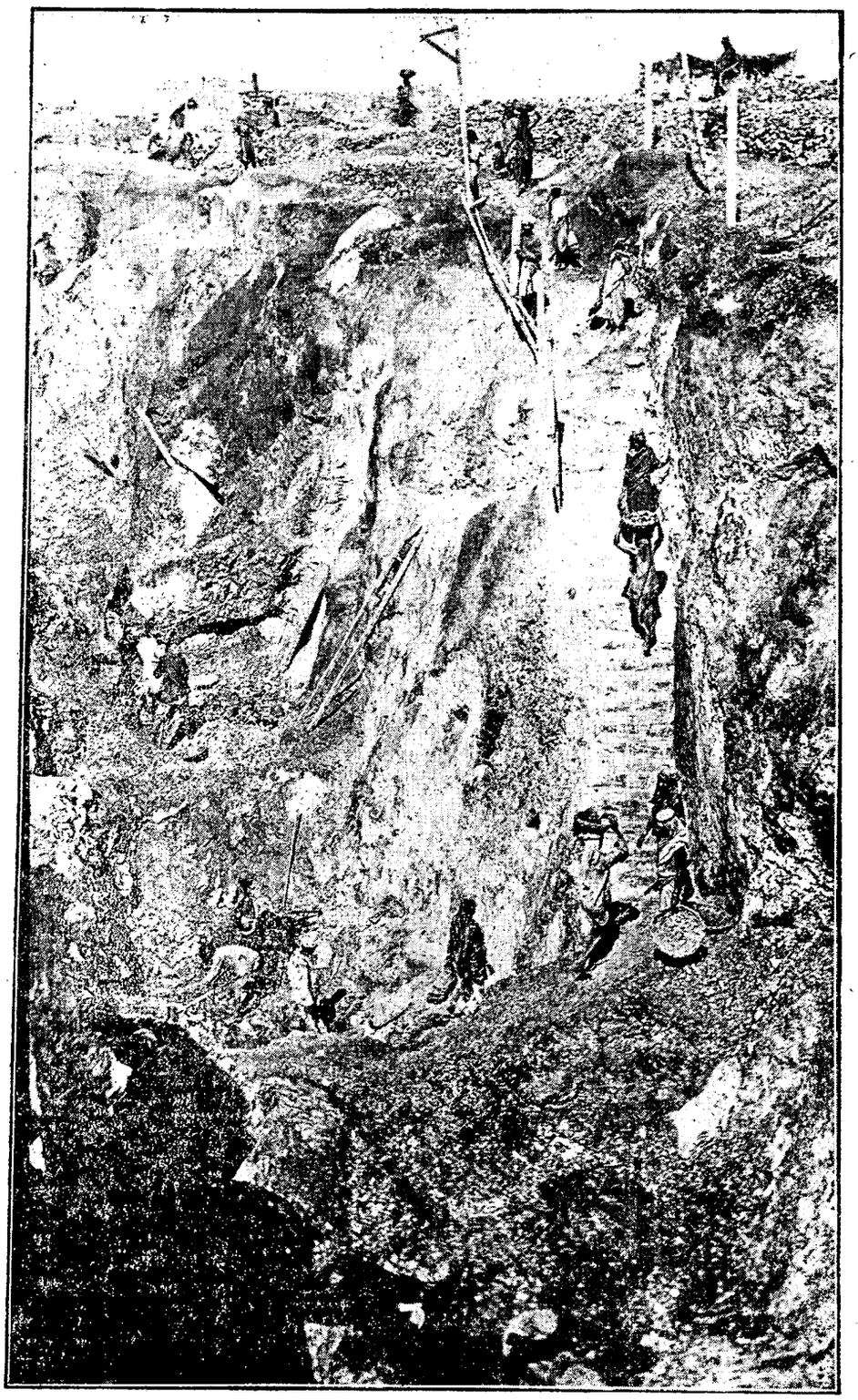
Attention was subsequently drawn to the mineral by the opening of the Railway from Karachi to the Chrome Deposits of Baluchistan discovered by Mr. Lindsey, who died before the value of his discoveries was realised. Nevertheless, the Company who took over the fruits of his efforts were able to put out, in 1918, 26,000 tons which, when other sources of supplies were rendered more inaccessible by shortage of freight, proved a useful contribution to the Allies' requirements.

Mysore's Moiety of the Mineral

South India also was not behind hand in contributing to the Allies' requirements of this mineral. The Mysore State, long noted for its up-to-date mineral policy, was able to put out, in 1917 and 1918, a quantity almost as great as Baluchistan's contribution.

Most of this was from an entirely new source which was prospected as far back as 1902 to 1905 being on what is known as Nuggihalli-Arsikere Strike. The firm of Messrs. Oakley, Bowden & Co., who opened it up, may rightly claim to have been the discoverers of the highness of the grade of ore possible from what has hitherto been looked upon as a series of low grade propositions, as, instead of as previously averaging 40 per cent. these deposits have made shipments ranging from 49 to 53 per cent. Chromium Sesquioxide. One of these properties is held by Indian

license-holders and was worked by the firm of Messrs. Oakley, Bowden & Co., and put out over 15,000 tons in 1917 and 1918.



An Improved Wudder Staircase. These women lift basket loads of 80 lbs. with ease and are some of the most graceful, handsome and merry of India's many daughters.

Subsequently, the Mysore Government granted the same Firm a temporary license over another area, known as Bairapur, they discovered, with the aid of which they were able to put out something like 25,000 tons, much of which found its way to the Allies Munition Departments. These works were closed down last month and the closure, involving as it did the disbanding of a number of people in time of scarcity, resulted in considerable controversy in the Press. The illustrations given here are an indication of the nature and scope of these operations.

A New Mysore Mineral Policy

Desolation—after the closure.

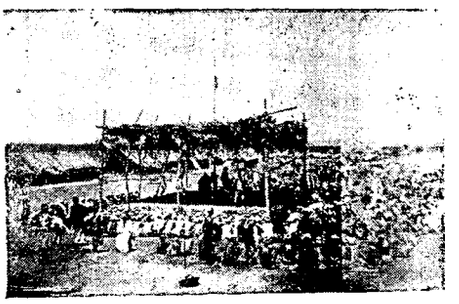
The closure is largely due to the fact that, after many years of sedulously encouraging the private Prospector, the Mysore Government have decided to conserve chrome, manganese and other minerals, and to develop at some distant date a State Industry side by side with their iron ore project now being elaborated under the aegis of the Tata's Iron and Steel Works Ltd., on behalf of the State. So jealous have the Mysore State become regarding their mineral resources that it was with the greatest reluctance they permitted the firm to take advantage of their discovery.

It is a tangible indication of the sterling merit of this State's loyalty to the British Empire that, in spite of their settled policy of the conservation of the natural resources for

Mysore's national aims, they temporarily permitted the ore to be worked out, thus setting their own views, intentions and interests aside for the good of the greatest number in the British Empire and Allied countries.

The Mysore Chromite Limited

Ploughing and Picking up Chrome Pebbles.



The Camp Court and Reception Pandal.

The enterprise that developed and handled these and is still handling other Mysore Chrome lands held under Mining Leases is now directed by Sir Allan Arthur and Major S. C. Berridge, both so well known in Calcutta Financial circles; Major Bowden and Mr. F. H. Oakley constitute the rest of the Board of this Company, "The Mysore Chromite Limited", which was recently formed with a Capital of 5 lakhs to look after these interests. The management of the operations is in the hands of Lieut. C. B. Oakley, I. A. R. O., who in March 1917 was released from Military duty to attend to these Munition minerals, and, as a result of such release, it was largely due to his research and prospecting that this new source of supply was created and developed and rendered of use and value during a time of the greatest allied need.

India's First Source of Supply

Another source of supply, which though producing from 1903 some 30,000 tons has not been looked upon as a serious factor, are the Sinduvalli Mines near Kadikola, Mysore. So far the grade of this ore without concentration does not average even with close cobbling a greater percentage than 49 per cent. Chromium Sesquioxide.

For 5 years the mine was allowed to be dormant, but when the war had cut off the sources of supply in the enemy-country, a keen demand arose and only freight has prevented larger shipment being made from Mysore. Before the war anything below 47 per cent. was not acceptable and only 49 per cent. welcome; ores as low as 45 per cent. have been moved recently.

Chrome—Its Discoveries

Lifting Ore from Oakley's Shaft by hand.

The discoveries of the Chrome Ore deposits first originated in Siberia and occurred in 1798; in the Urals in the United States in 1827; in Brusso, 57 miles from Constantinople, in 1848; in Canada in 1858; in California in 1869; in New Caledonia in 1874.

Chrome Finds of the 20th Century

Since all these discoveries, large quantities within the last fifteen years have been found in British Rhodesia, in Australia and in Baluchistan and Mysore State in India. These places, coupled with New Caledonia's high grade and Calefornia's low grade deposits, are now in a position to supply large quantities of ore to the Allies. In the future, Russia will no doubt place its large resources at the disposal of Germany. Neither Germany nor Austria possess in themselves any deposits of a higher grade than 40 per cent. of the mineral, and therefore are outside the usual commercial equation, which is in the region of 47 to 53 per cent. Cr. O.

Canadian Thrift and Thoroughness

A country, however, that has not been brought into prominence in the European Market, but which has largely contributed to the supply of the Western Hemisphere, is Canada, which country perhaps leads, with a distinct length, all other countries in the matter of concentration and careful handling of its output, which though small has been for many years steady and uninterrupted. From the Canadian Government Reports much can be gleaned as to the uses and methods of occurrence of this most interesting mineral.

Nature and Appearance

The chief Chromium Ore of commercial importance is Chromite, a compound of ferrousoxide with chromium sesquioxide containing, theoretically, the equivalent of 46·4 per cent. of metallic chromium. One or both of the metals may be replaced to a greater or less degree by magnesia, aluminia, silica or lime. The mineral has usually an iron black colour but a brown streak, a sub-metallic lustre, hardness about 5·5 and specific gravity 4·32 to 4·55. It is sometimes feebly magnetic.

Deposits of this mineral of commercial importance are not very numerous—the deposits are often too low a grade to be worth working, or separation is difficult, or the cost of transport is too high. Owing to the fact that deposits of Chromite are nearly always of a pocket-like character, the mining of this mineral is attended with uncertainty, and so estimates of the amount of ore available beyond that exposed are of little value.

World's Supply and Consumption

As far as can be ascertained, the world's output has steadily increased, and in 1918 it is calculated that at least 3,00,000 tons must have been put out and consumed, America alone taking 1,00,000 tons mostly from Rhodesia. In 1906 the total world's output was 1,20,000 tons, in 1907 it fell to about 80,000 tons, in 1908 it fell below 50,000 and in 1909 it rose to 65,000. Statistics of the production of Chrome Ore are however very incomplete.

The History of Chrome's Uses

To those to whom the word " Chrome " means usually " something to do with leather ", the following is its history :—

The uses of chrome are not perhaps known so widely as would have been expected, seeing that its discovery was in 1762. Its successful manufacture into Chrome salts was made in 1810, and applied for the dyeing of textiles and decoration of porcelain in 1820. The first Factory was established in Scotland for Chrome Acid Salt in 1820, the first application for tanning leather by chromium compounds was in 1856. The first manufacture of Chrome Steel was in 1885 in the United States and Chrome Nickel Steel in 1891.

Utilization as Furnace Linings

A use of the crude low grade containing 35 to 40 per cent. Chrome ore which has acquired importance in recent years is as a Furnace Lining, ores containing as high as 8 per cent. of silica being readily saleable for this purpose. The chromite is made into the form of bricks by admixture with tar, lime, bauxite or Kaolin. These bricks resist corrosion and therefore are of value in furnaces used for smelting lead, copper and antimony, the slags from which rapidly attack acid linings. The crude ore is also employed for lining certain parts of the furnaces employed in the production of basic open hearth steel.

Use as Dyes and Color Pigments

The chief use of chromium ores at present is for the production of chromates and Chrome pigments. For the manufacture of chromium compounds concentrates containing not less than 48 per cent. of chromium sesquioxide are usually employed. Potassium bichromate is employed for the production of chrome yellow (neutral lead chromate) and chrome orange which are both used in calico printing, for the bleaching of palm oil, the discharge of indigo blue and in the preparation of certain green ceramic pigments. Chromium Sesquioxide is a valuable indelible green pigment.

Use for Tanning Purposes

Chrome salts such as the sulphates and chrome alum are largely employed in the various chrome processes for tanning leather. Chrome tanning penetrates deeper than the vegetable process and thus increases the powers of the leather to resist external influences.

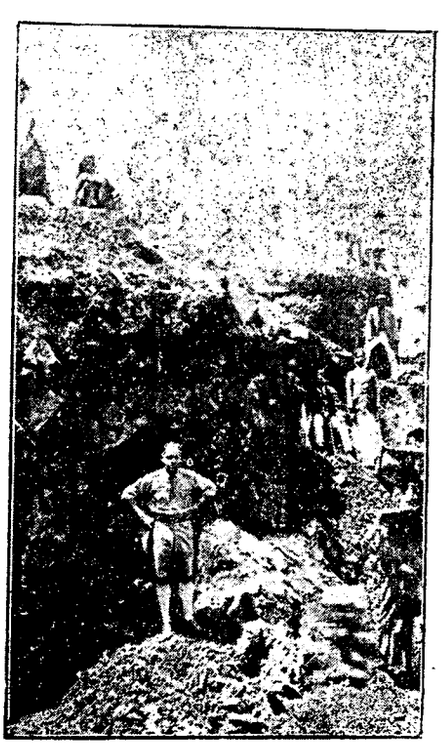
As Ferro-Chrome and Steel Alloys

The alloys of chromium with iron have acquired great technical importance in connection with the production of hard steel. Chrome steel is extremely hard, tough and dense and possesses great tensile strength. It is therefore specially suitable for machinery parts subject to hard wear, such as crusher jaws, stamp shoes, etc. It can be welded to iron and rolled out and is therefore said to be of special value for the construction of safes and armour plates, as the coating of iron protects the Chrome steel from fracture by blows and the steel is hard enough to resist ordinary drills. It is also an essential in the production of that ever-increasing popular product, "Rustless Steel."

Stagnation of Consumption

In company with all producers of crude material, Chrome miners are accumulating stocks to an unknown market. In view of the uncertainty regarding freight rates, the disturbed state of European markets and the period of transition from the arts of war to arts of peace, they will pass through an anxious time, but the final issue to a good market, perhaps at a slightly lower price, can hardly be in doubt, with a product of such all-round utility as Chrome Ore has been shown to be.

Testing for depth.



When the Mine was Young.

D. O. No.

Confidential

GOVERNMENT ADVOCATE'S CHAMBERS,
PUBLIC OFFICES,
Bangalore 25/1/1923.

Before proceeding to consider the several points referred to me for opinion in connection with the action proposed to be taken against Messrs Oakley Bowden & Co., I wish to know if the Company was permitted to mine the Chrome ore on the strength of the G. O. of 1918 only or whether a formal temporary Prospecting Licence was also issued. If one has actually been issued I want to know if it was issued in the ordinary form given in the rules or if any other

31206

C No. 88/1

OFFICE OF THE PRIVATE SECRETARY
TO HIS HIGHNESS THE MAHARAJA OF MYSORE,
Bangalore, dated 16th February 1923

GEN. & REVE SECRETARIAT
17 FEB 1923
INDUSTRIES & COM
BR.

17 FEB 1923

Petition, as shown below, to His Highness the Maharaja is transferred to the Chief Secretary to the Government of His Highness the Maharaja of Mysore, ~~Department~~, Bangalore, for Land disposal

No. 560 of 1922-23

By Order,

Private Secretary
to His Highness the Maharaja of Mysore.

GBPM—1,000—30-4-18.

c/o Messrs. Petrie-Hay & Son.,
Bangalore City,
13th February, 19

Dear Mr. Mirza Ismail,

Might I ask if you could spare just a few minutes to glance through the correspondence of the 27th December last and unofficially assist me in particular and the Mining Community in general in any way possible. The following are the disabilities under which I and the Companies I control labour and which I am now asking the Government if they cannot see their way to remove:-

(1) An embargo on the ore won on Bairapur on license No. 473 in time of war,

(2) That Government will see their way to grant us a mining lease over the half-exhausted deposit above referred to in order that we may finish our task,

(3) That Government will sanction the transfer of Mr. J. Burr's mining rights to Oakley Duncan & Co, Ltd.

By No. 1 and 2 the advantages to me are that the Mysore Chromite Ltd may get back Rs.129,965-10-8 that I and my friends have lost in our war efforts. By No. 3 I get possession of property for which we have paid Mr. Burr in view of the fact that he is getting on in years and has been compelled to give me a power of attorney to deal with his affairs. The advantages to Government are firstly they immediately secure from the first item Rs.10,000/- revenue in royalty; from the second item they receive probably Rs.10,000/- in royalty annually also 15% of the profits; in addition the tolls incometax and royalty are another 33 1/3% and from the third item a possible Rs.5000/- annually.

You will no doubt have seen Mr. Puttanna Chetty's remarks on this subject. In case you may not I quote them:-

> "It is satisfactory to see a considerable improvement in the export of chrome ore from the State which cannot but have a satisfactory bearing on railway receipts and State finances. I venture to think that this field of exploitation in the State has been greatly retarded. In the absence of home capitalists coming forward I would encourage the advent of the foreign capitalist to win our numerous hidden treasures, of course, with due safeguards and limitations in regard to the payment of a satisfactory royalty to the State and conversion of raw products into manufactures where possible. There is nothing to be gained by allowing our hidden wealth to remain underground. On the other hand, our agriculturist and labour populations would undoubtedly have their general position improved, which would obviously be reflected in other directions, resulting in a general improvement in trade and possible increased savings."

The public issues is the rights of posterity versus those of the present generation. This aspect of the matter has been thoroughly investigated by Dr. Fermor one of the heads of the Geological Survey of India who sums it up, as far as Manganese is concerned, in his memoirs as follows:-

> "One reason for not advocating at present any restrictions on the export of manganese ore is that the metallurgy of iron and steel progresses at such a rate that one cannot be certain that the use of the manganese may not one day be discontinued in favour of some more efficient substance or that steel may not be made by some new process in which there is no need for manganese or any substance performing similar functions."

I submit also for your consideration that the with-holding of these concessions from their equitable holders now are more likely ultimately to lead to profit in the future to some more fortunate persons than of direct advantage to the State.

Yours sincerely,

C. S. Auckley

No I.C. 5712

Govt 17-22-6

To

C B Oakley Esq

Managing Director

The Mysore Chromite Ltd

Bangalore

16-3-23.

Required by Mr NSL

Sir,

With reference to your letter dated the 31st Dec 1922 requesting that the embargo placed upon the removal of the Chrome ore mined by you in the Bairapur blocks may be waived so that you may be enabled to ship 5000 tons of the same during the month of March, I am directed to say that the Government do not consider it necessary to withdraw the embargo at present, but that they will be prepared to consider the question of relaxing it to the extent of allowing you to ship 5000 tons during the month of March 1923 provided that you undertake to pay to Government an export duty of Rs 10 per ton on the quantity shipped.

I am to request that you will be good enough to inform this office whether you are prepared to accept the above condition.

I have the honour to be,

Sir,

Your most obedient servant,

16/3/23

Geol. 27-22-7.

137

GEN. & REV. SECRETARIAT
27 MAR 1923

From

C.B. Oakley,
General Manager,
Mysore Chromite Ltd.,
6a Millers Road,
Bangalore.

To

G. Aravamudu Iyengar, Esq., B.A., B.L.,
Secretary to the Government of His Highness
the Maharaja of Mysore, Gl. Dept.,
Bangalore.

Sir,

With reference to your letter No.5712 of the 16th inst and the interview so kindly accorded Mr. Oakley by the First Member of Council on the 20 th inst, we shall be glad if Government can see their way to permit us to remove the chrome ore on the Bairapur block from the area held under License No.473, on the following conditions:-

(1) That for such ore we have removed less the quantity supplied to the Ministry of Munition and on which we have already paid royalty atthe rate of 12 annas, we to pay a further 12 annas per ton royalty.

(2) That with regard to the balance of the ore won we to pay royalty as removed at the rate of Re.1/8 per ton on Railway weights.

(3) That the Government will see fit to grant us a lease to enable us to complete the work we have commenced on this area over which we have acquired the surface rights and gone to considerable expense in buildings and at the same time have partially exhausted the deposit. That on such ore that we win under such lease a royalty of Re.1/8 a ton shall be payable on removal.

Thanking you in anticipation for early sanction,

I have the honour to be,

Sir,

Your most obedient servant,

26-3-1923.

C.B. Oakley

3 Copies
Geol 27-22-18.

Proceedings of the Government of H.H. the Maharaja of Mysore.

G.O.No.11726/Geol.82-17-5 dated the 23rd February 1918, sanctioning the grant of a prospecting license for chrome over an area of one square mile of land in the villages of Bairapur, Hullenhalli and Chokkanahalli in the Chennarayapatna Taluk, of Hassan District, to Messrs. Oakely Bowden & Co., subject to certain conditions.

2. G.O.No.G.23482/Geol.31-18-23 dated the 15th April 1919, according permission to Messrs. Oakley Bowden & Co., to stack the ore mined by them on a piece of private land of which they had acquired the surface rights and forming part of the block comprised in the prospecting license held by them.

3. Correspondence ending with letter No. 908 dated the 4th/5th December 1922 from the Director of Geology, bringing to the notice of Government, a series of irregularities committed by Messrs. Oakely Bowden & Co., amounting to a breach of the conditions of the mining lease granted to them in the Government Order read above and soliciting the orders of Government in the matter.

4. Representations dated 31-12-22 and 26-3-23 respectively from Messrs. Oakely Bowden & Co., requesting that, in the circumstances explained by them, the embargo placed by the Geological Depart-

Department on the removal of the ore mined by them in the prospecting block referred to above may be removed and that they may be permitted to dispose of the ore on payment of royalty at Rs.1-8-0 per ton and that a mining lease may be granted to them over the block.

Order No.IC. 4-5/Geol. 27-22-10

Dated Bangalore, the 2/7/ 1923.

In G.O. dated 23-2-1918 read above, a prospecting license for chrome over an area of one sq. mile of land in the three villages of Bairapur, Hullenahalli and Chokkenhalli in Chennarayapatna Taluk, Hassan District, was granted to Messrs. Oakely Bowden & Co., subject to the following conditions:-

(1) that the license would be temporary for one year only;

(2) that no renewal of the license would be applied for;

(3) that the company waived their claim for a mining lease under the license;

(4) that all the ore mined was to be supplied to the Munitions Board as war material;

and (5) that all the ore extracted in excess of the quantity contracted for, for supply to the Munitions Board should be placed, if need be, at the disposal of Government who should have the first refusal of the same.

2. The prospecting license as above was granted on the assurance given at the time by Messrs. Oakely Bowden & Co., that they had secured the contract for the supply of ore to the Munitions Board as war material and on the distinct understanding that Govt. should be given the right of pre-emption to all ore extracted over and above the quantity contracted for.

3. As a special case, and in view of the urgency of the matter, Messrs. Oakley Bowden & Co., were permitted to carry on the prospecting work in anticipation of the delivery of the license signed by the Director. In the license granted to them it was distinctly stipulated that the area should be worked solely for the supply of war material to the Board of Munitions and that any chrome in excess of the quantity contracted for should be placed, if need be at the disposal of the Government who were to have the first refusal of the same.

4. In June 1918 Messrs. Oakley Bowden & Co., represented that as they would not be able to extract the full quantity of 28000 tons of ore they had undertaken to supply the Munitions Board within the period of one year allowed to them under the license they might be permitted to renew the license for a further period, but Government, in their letter to the Director of Geology No.G.17970/Geol.31-18-15 dated 20th February 1919 refused the request, as the Company had undertaken in express terms, when they first applied for the license not to apply for a renewal of the same.

5. In his letter dated 8th March 1919 the Director of Geology reported to Government, that the period of prospecting license granted to Messrs. Oakley Bowden & Co., would expire on the 20th idem and recommended that as the Company could not remove all the ore extracted by them from the block

before that date, they might be accorded special permission to remove and stack the ore on a piece of land over which they had acquired the surface rights and which formed part of the block over which they held the license. This request was granted by Government in their letter dated 13th April 1919 subject to the following conditions viz.,

(i) that the stacking of the ore anywhere on the block should be regarded as a temporary measure and

(ii) that the Company would be bound to remove the ore if required by the Department, on receipt of a reasonable notice not exceeding three months.

6. It is now reported by the Director of Geology that the Company have not fulfilled the conditions subject to which the prospecting license was granted to them, in as much as they have not supplied the Munitions Board with the full quantity of ore contracted for, but only with a small portion of the stipulated quantity. It is also reported that instead of offering to Government, as they were bound to do under the terms of the license, the first refusal of the quantity of ore extracted by them but which they did not supply to the Munitions Board, the Company have, without reference to Government, been disposing of the ore to other parties from time to time. In the meantime the Director issued a notice to the Company to desist from further removal of the ore without the orders of Government.

Page 4 of Flag C

7. A careful examination of the case shows that only a quantity of 2496 tons of ore, out of 28,000 tons said to have been contracted for, would appear to have been supplied to the Munitions Board by Messrs Oakley Bruden & Co. ~~them~~ in three consignments It is now represented ~~reported~~ that no further supplies to the Munitions Board could be made as their agents in London committed a breach of the conditions of the contract entered into with the Munitions Board. It is not necessary to discuss the reason for this failure as it has no bearing on the present question. 10/

8. The Government desire to point out, however, that permission to extract ore was granted solely on the condition that the quantity won should be supplied to the Munitions Board and that anything in excess of the quantity contracted for should be placed at the disposal of Government. As a matter of fact the company, after the Munitions Board ceased to purchase from them, began to dispose of the ore to various parties and in all they have disposed of 13902 tons up-to-date in this way The Company now explain that as the condition of the grant was that the ore extracted in excess of the quantity contracted for, for the supply to the Munitions Board should, if need be, be placed at the disposal of Government, who were to have the first refusal of the same and as the Geological Department did not give notice to them that they should so place the balance of the ore at the disposal of the Government, they presumed that the Government had no need for the ore and accordingly proceeded to dispose of the ore as best they could.

Para 12 of Flag U

9. The Government cannot consider the above explanation as satisfactory, nor does it exonerate the Company from their strict responsibility to place all quantities of ore not actually supplied to the Munitions Board at the disposal of the Government. The Company have however since approached the Government, with the following further proposals:- PUE I

(i) that they will pay a royalty at the rate of 12 annas per ton in addition to royalty at annas 12 per ton already paid under the terms of the license for such quantity of ore that they have already removed less the quantity ~~removed~~ supplied to the Munitions Board;

(ii) that with regard to the balance of the ore won permission may be given to them to remove the same on payment of a royalty at Rs.1-8-0 per ton and

(iii) that a ~~mining~~ lease may be granted over the block subject to the payment of royalty at Rs.1-8-0 per ton.

10. The Government have given the above requests of the company their best consideration and, in view of the fact that the company have incurred heavy expenditure in working the area, they are pleased, as a very special case, to grant the first two requests referred to above and on the condition that the ore already won and still on the block should be removed by them within a period of one year, subject to the payment of royalty on the whole quantity in advance. As Chrome has since been reserved exclusively to Government and as the prospecting license was granted to them on the distinct understanding that no renewal of the license or a mining lease would be given to them, the third request of the company cannot be granted.

11. The above orders will now be communicated by the Director of Geology to Messrs. Oakley Bowden & Co. Both the Director and the Deputy Commissioner,

Hassan District, should see that no further extraction of ore in the block is carried on by this Company.

24 6.23

Secretary to Govt.,
Rev. Department.

26-6-23

To

The Offg. Director, Department of Geology with connected papers.

Subject to approval.

Deputy Commissioner, Hassan